

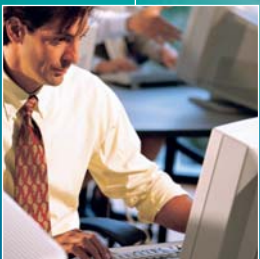
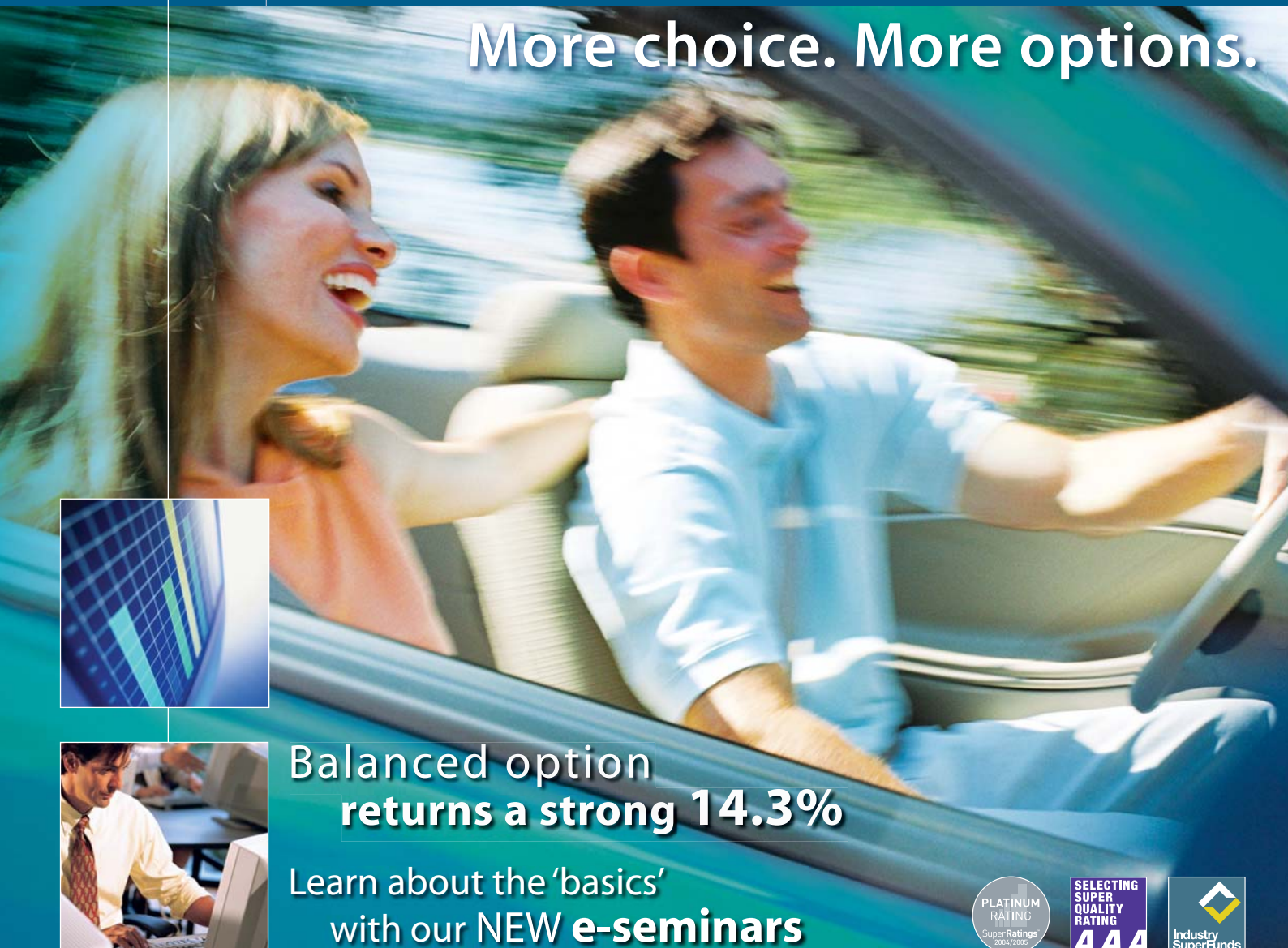


personal plan

2005 2005 annual report

DRIVE YOUR SUPER INVESTMENTS

More choice. More options.



Balanced option
returns a strong **14.3%**

Learn about the 'basics'
with our **NEW e-seminars**





Julie Lander Chief Executive Officer



Barry Watchorn Chairman

From the CEO and Chairman

The 2004/2005 financial year was another good one for CARE Super members, when having achieved funds under management of \$2 billion, the Fund again experienced strong investment performance.

The crediting rate for CARE Super's Balanced option was **14.3%** for the year. The SuperRatings Balanced Fund Crediting Rate Survey, June 2005 showed that the five-year average return of 8.7%, has consistently outperformed its competitors and has provided members with real growth for their superannuation savings. See page 1 for the returns of all CARE Super's options.

CARE Super is committed to demonstrating its responsiveness to member feedback gained through inhouse research. Over the coming months further research will be conducted and you will have the opportunity of providing your responses over the telephone or via the CARE Super website.

Throughout this report you will read about a range of initiatives that CARE Super has introduced in order to give you the flexibility and choice you said you wanted. And, there will be more to come in the future!

We now offer you more flexibility and choice when it comes to investing. Two new investment options – Conservative Balanced and Alternative Growth – were introduced on 1 July 2005 and, in 2006, we will be introducing an ASX 200 option. We have also introduced weekly switching of investment options.

You are now also able to make binding death benefit nominations. This provides you with more certainty about who receives your benefit in the event of your death. You can still make a non-binding nomination if you prefer. In this issue we include an article on why super is important. It addresses the fact that most Australians will not have saved enough to live on when they eventually retire and that social security is only going to provide limited support. On the bright side, however, the article gives some information on easy tax-effective and low-impact options that you can take to accelerate your savings and build your super for retirement.

You will be pleased to know that independent research has shown CARE Super returned \$18.70 for every dollar paid in fees, compared to \$3.10 by the average retail Master Trust over the last five year period, demonstrating it pays to handle your super with CARE. Source: SuperRatings*.

CARE Super continues to be independently evaluated as being a high quality fund having been awarded a AAA rating from SelectingSuper and a Platinum rating from SuperRatings.

At CARE Super we continually strive to deliver improvements for members and to build on past achievements and initiatives. We welcome your feedback or queries about CARE Super, so please stay in touch.

Julie Lander
Chief Executive Officer

Barry Watchorn
Chairman

*These comparisons have been modelled by SuperRatings (commissioned by Industry Fund Services) using the chargeable fees and the actual investment returns for the default options of CARE Super and retail Master Trusts over 5 years to 30 June 2005. Current as at 29 August 2005 and may be revised if further information becomes available. Other assumptions are starting balance \$50,000, salary \$50,000, super contributions 9%, 3.5% salary increase per annum, investment returns net of taxes but gross of fees. Past performance is not necessarily an indicator of future performance.

CONTENTS

From the CEO and Chairman / CARE Super in brief	
Another year of strong performance / Investment option returns	1
A strong year for investors / Derivatives Policy / Investment Fluctuation Reserve	2
Driving your super investments further / More investment choice	3
Flexibility and control / Stay with CARE Super	4
What's new / e-seminars	5
Why super is important	6
Super strong super / Low cost banking products	7
Government co-contribution / Insurance – who needs it?	8
Managing the investments / CARE Super's investment managers	9
Investment overview	10
Looking after YOUR super	13
Financial fitness	14
Member noticeboard	15
Free retirement and financial planning seminars	16
Enquiries and complaints	17
Keeping in touch is easy / Contact details	18

CARE Super in brief as at 30 June 2005

- Total Fund assets of **\$2,118,664,670** up from \$1,704,621,514 at the same time last year.
- Total Personal Plan assets of **\$44.7 million** up from \$29.6 million at the same time last year.
- Personal Plan **membership increased by 38%** in membership from the same time last year.

Another year of strong investment performance



CARE Super's Balanced option credited 14.3% for the year, outperforming the median Balanced manager in the Mercer Pooled Fund Survey by 1.2%.

The SuperRatings Balanced Fund Crediting Rate Survey, June 2005 has also confirmed that CARE Super's Balanced option ranked equal fifth in its survey of Balanced options for the year. Importantly, the five-year average return of 8.7%, which ranked second in the SuperRatings survey, has meant that CARE Super members invested in the Balanced option over that time, have seen real, long-term growth in their super savings.

This achievement once again demonstrates our commitment to delivering strong, stable long-term investment performance for our members.

Members invested in other options will also be pleased to know that CARE Super's returns in the Growth, Australian Shares and Capital Stable options were ranked within the top ten funds offering comparable options over one year and three-year periods.

All options produced returns in excess of the inflation rate.

All CARE Super's investment options have met or exceeded their investment objectives, as set out on pages 10 and 11, over the five-year reporting period.

The table below sets out the net investment returns earned by each of CARE Super's investment options over the past five years. These returns are net of investment costs charged by the investment managers appointed by CARE Super.

You should note, however, that past performance is not necessarily an indicator of future performance.

“CARE Super members invested in the Balanced option have seen real, long-term growth in their super savings.”

Investment option returns

Past performance is no guarantee of future returns. Returns shown are after tax and asset administration fees.

Investment options	Net rates of return						
	2000/01	2001/02	2002/03	2003/04	2004/05	3 year average	5 year average
Managed options							
Capital Guaranteed	6.4%	6.0%	4.9%	4.0%	4.9%	4.6%	5.2%
Capital Stable*	-	3.2%	5.4%	8.5%	11.3%	8.4%	-
Balanced	10.0%	2.0%	4.0%	13.1%	14.3%	10.4%	8.7%
Sustainable Balanced#	-	-	2.1%#	11.6%	11.9%	-	-
Growth	8.3%	-3.2%	-1.2%	16.2%	15.0%	10.0%	7.0%
Asset Class* options							
Cash	-	3.9%	4.4%	4.5%	4.8%	4.6%	-
Fixed Interest	-	5.6%	11.2%	4.0%	9.3%	8.2%	-
Direct Property	-	8.7%	9.1%	10.5%	11.1%	10.2%	-
Australian Shares	-	0.1%	0.8%	21.4%	26.0%	16.0%	-
Overseas Shares	-	-13.7%	-12.6%	16.6%	3.8%	2.6%	-

* Capital Stable and the Asset Class options were introduced on 1 July 2001.

Two new investment options (not shown here), Conservative Balanced and Alternative Growth, were introduced on 1 July 2005.

Sustainable Balanced was introduced on 1 January 2003. The 2002/2003 return is for the 6 month period.

Please note that the three and five year average columns are arithmetic averages, and do not take into account compounding of returns.

A strong year for investors

The 2004/05 financial year was another strong one for investors, with share, property and bond markets all delivering strong returns above inflation.

The continued strength in share prices has been attributed to sustained economic growth and strong demand for commodities from developing countries (particularly China) and low interest rates which have supported consumer spending and stimulated business investment in most of the developed economies.

Listed share markets were the outstanding performers for the year, although the appreciation of the Australian dollar severely impacted the returns for Australian investors from overseas shares. Bond and direct property investments also performed well, although produced lower returns than shares.

The Australian share market rose by 26.0% over the year with small cap stocks outperforming large companies. CARE Super's Australian share option returned 26%.

Overseas shares returned 12.4% on a local currency (hedged) basis. On an unhedged basis, overseas shares returned 0.5% with CARE Super's option achieving a return of 3.8%. CARE Super's partial hedging of

the currency exposure and overweight holdings in the better-performing small cap and emerging markets sectors boosted performance

Direct property markets posted returns of 13.4% for the year. CARE Super's option returned 11.1% over the year.

CARE Super's Alternative Investments returned 8.7% over the year, providing a sound return with lower volatility than share markets.

Over the year the Australian bond market returned 7.8%, while global bonds returned 12.3%. CARE Super's bond portfolio outperformed over the year, due to manager performance.

Looking ahead it is unlikely that we will see a repeat of the high returns experienced last year. Share, bond and property markets do not appear cheap when compared to historical valuation parameters. We expect that active management to achieve out-performance and reduce risk will be more important in coming years.

During the 2004/05 financial year, the Trustee allocated additional funds to Overseas shares in the Balanced option, based on the view that the out-performance



Steven Carew

*Divisional Director (Research)
JANA Investment Advisers*

of Australian shares meant that overseas markets had become more attractive in relative terms. With the continuing fall in bond yields the prospective returns from bonds are likely to be lower and the Trustee continued to diversify the Balanced option's portfolio with additional alternative investments such as infrastructure and private equity. The Trustee believes that these types of investments will provide attractive returns over the long-term, especially compared to bonds.

CARE Super's derivatives policy

Derivatives are special investment products derived from other investments. For example, share options are derivatives. Their value is linked to the value of the actual shares. Investment managers are only permitted to use derivative investments to assist with the effective management and protection of CARE Super's assets. Derivatives may not be used to gear the portfolio or to cause the overall exposure of any asset class to breach the specified long-term strategy ranges.

CARE Super has a Risk Management Statement to govern the use of derivatives. The Trustee ensures that the Risk Management Statement each investment manager must provide is in line with CARE Super's policy. A copy of the Risk Management Statement is available to members by writing to CARE Super.

Investment Fluctuation Reserve

The Trustee has maintained an Investment Fluctuation Reserve (IFR) to smooth interest rates credited to members' accounts invested in the Balanced option. However, it has determined that from 1 July 2005, it will no longer maintain the IFR. For the 2004/05 financial year the declared crediting rate for the Balanced option was 14.3% which was 0.6% more than the actual earning rate of 13.7%.

This meant that the reserve was distributed to members. In future the declared rate for the Balanced option, like those of the other CARE Super options will reflect the actual post-tax money weighted returns.

History of CARE Super's reserves

Year ending 30 June	Reserve	% of total assets
2005	\$11,836,879	0.56
2004	\$20,662,624	1.21
2003	\$18,919,364	1.42

“Focus on long-term returns.”



Driving your super investments further

The Trustee of CARE Super recently reviewed the asset allocation (or mix of investments) within the managed options taking into account current market conditions and risk management factors.

As a result, from 1 July 2005, the Balanced option and the Sustainable Balanced option will have a 75% exposure to "growth" style assets – including Shares, Property and Alternative investments. The remaining 25% is allocated to defensive style assets being Cash and Fixed Interest securities.

The Growth option has maintained its 90/10 asset allocation split, but the exposure to **Alternative** investments has increased from 5% to 10%, offsetting a reduction of 5% in Australian shares. Similarly, the Capital Stable option, which has 35% of total assets invested in growth style investments, now has a 3% exposure to **Alternatives** following a decrease in the exposure to Australian shares by 3%.

Refer to pages 10 and 11 for the benchmark asset allocations for the managed options.

What are alternative investments?

- Infrastructure such as airports, toll roads, shipping ports, electricity and gas generation assets.
- Private equity which can take the form of share holdings in unlisted companies, ranging from those in an early stage of development, to more mature businesses seeking additional capital for management to buy out existing founders and expand the current organisation.
- Share strategies, including specialised share portfolios or long/short strategies that achieve lower share market risk than traditional share portfolios.
- Absolute return – this group invests across the broad mix of complex investment strategies in the global financial markets that are sometimes referred to as 'hedge funds', aiming to produce returns well in excess of cash and with lower volatility than shares.

The Board believes that allocations to the various forms of alternative investments will enhance the returns of the Managed options by providing diversity and long-term stability from investments that are not correlated to traditional listed markets while displaying lower volatility than investments such as shares.

“We want to enhance the returns of the Managed options by providing diversity and long-term stability.”

More investment choice – two new options

The review of our asset allocation combined with an analysis of CARE Super's membership profile led the Trustee to introduce two new investment options from 1 July 2005. These will give you even more choice and flexibility when it comes to how you invest your super. The two new options are **Conservative Balanced** and **Alternative Growth**.



Conservative Balanced

The **Conservative Balanced** option, with its 50/50 exposure to growth and defensive assets was introduced to provide an investment option with slightly less volatility than the Balanced option which now has a 75/25 exposure to growth and defensive assets.

The Conservative Balanced option would suit those members seeking returns above the rate of inflation over the long-term, but with a more stable pattern of returns than might be experienced by the Balanced option. It has a low to moderate risk profile.



Alternative Growth

The **Alternative Growth** option has an 85/15 exposure to growth and defensive assets and was introduced to achieve long-term growth with less reliance on shares. The relatively high allocations to Alternative investments mean the risk and return outcomes are likely to differ from those of other 'growth' style options. You should take this into consideration when selecting an investment strategy.

Alternative Growth would suit members with a very long investment timeframe, or someone whose financial situation allows a higher degree of risk. It is most suitable for those members with a strong understanding of alternative investments. Its profile is high risk and is best suited to members with an investment timeframe in excess of seven years.



“ CARE Super’s range of investment options provides maximum flexibility. ”

Flexibility and control

You are in control of how your super is invested. You can choose one or a combination of any of CARE Super’s 12 investment options in the proportions you want. And the flexibility doesn’t stop there – you can invest your existing account balance differently from your future contributions.

CARE Super’s investment options are:

Managed options

-  Capital Guaranteed
-  Capital Stable
-  Conservative Balanced
-  Balanced
-  Sustainable Balanced
-  Alternative Growth
-  Growth.

Asset Class options

-  Cash
-  Fixed Interest
-  Direct Property
-  Overseas Shares
-  Australian Shares.

When you make your investment selection you are not locked into it forever. You can change or switch your investment options at any time. You can switch online by simply logging onto www.caresuper.com.au, click on **Member login** located at the bottom right hand corner of the screen and login with your member number and password or call the **CARE SuperLine on 1300 360 149** for a *Member Investment Choice* form or to request your member online password. CARE Super allows you to make four switches in a twelve-month period, free of charge.

Coming soon...

ASX 200 Share option

In the coming months CARE Super will be providing even more flexibility and choice with the introduction of an **ASX 200 Shares** option. The **ASX 200 Shares** option will allow you to invest a proportion of your super in one or a combination of the top 200 companies on the Australian Stock Exchange. Keep an eye on the CARE Super website for updates on when the **ASX 200 Shares** option will be introduced.

Stay with CARE Super

If you are a member of a superannuation fund that delivers strong investment performance and provides an array of ancillary benefits and services, there is no reason to switch funds.

Did you know that if you leave your employer and go to work for another employer you can maintain CARE Super membership by asking your new employer to contribute to CARE Super on your behalf. That way you can continue to enjoy the benefits of being a CARE Super member.

We have heard that some employers tell their employees that they can’t or won’t contribute to CARE Super for any

number of reasons. If you are faced with this situation you should contact the CARE SuperLine on **1300 360 149** and we will be able to advise you on the best solution for your particular situation.



What's new?

Weekly switching

Weekly switching of your investment options is now available. If your switch request is received by CARE Super before 5pm Wednesday, it will be actioned on the following Monday or the next business working day if the Monday is a national public holiday.

Switches can be lodged using *Member Online* or by mailing or emailing the *Member investment choice* form to CARE Super. CARE Super members can switch their options up to four times in a 12 month period free of charge. Further switches incur a fee of \$20 per switch.

Death benefit nominations – two types

The Trustee of CARE Super recently introduced *Binding Death Benefit Nominations* to provide you with more flexibility and certainty when it comes to who will receive your super benefit in the event of your death. Now you have three choices:

- Not make a nomination
- A non-binding nomination, or
- A binding nomination.

The most appropriate choice will depend on your personal circumstances.

If you do not make a nomination or nominate a person who is not financially dependent on you the Trustee will, in its absolute discretion, pay your benefit upon your death to your dependant(s) and/or your legal personal representative.

If you choose to make a non-binding nomination, the Trustee will use this nomination as a guide, along with other information it has obtained to make a decision in the event of your death. However, your nomination is not binding on the Trustee.

If you make a valid binding nomination, then the Trustee will pay your death benefit to your nominated dependant(s) or legal personal representative. To cover the cost of administration a fee of \$10 will be charged to your CARE Super account.

CARE Super BPay option

CARE Super will shortly be introducing even more flexibility with the introduction of BPay option.

The BPay option will allow both Members and Employers to remit their contributions over the internet via *Member Online* and *Employer Online* or over the phone. Keep an eye on the CARE Super website for updates on when the BPay option will be introduced.

Health insurance

As a CARE Super member you can access some great health insurance options available through NIB Health Funds or Super Members Health Plan (SMHP). These products are designed to provide you with the appropriate level of cover to suit your individual needs and budget. If you are considering switching health insurance providers or would simply like to make a comparison, feel free to access these providers at www.caresuper.com.au to find out more!

e-seminars coming soon!

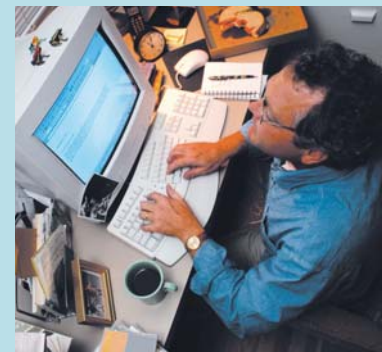
A key goal of CARE Super is to provide our members with quick and easy ways to learn about financial management in general and the benefits of saving for retirement through superannuation.

The e-seminar facility will allow members and employers to access, via the CARE Super website, 10 topics on financial wellbeing. Each interactive webinar runs for about 5-6 minutes. More topics will be added in the future. This new tool utilises voiceover and visual information as well as technology and with the help of calculators enables you to assess your own financial situation. As an added convenience this new facility can be accessed 24 hours a day, 7 days a week from the comfort of your own home or the convenience of your office.

To experience a new approach to superannuation education log onto www.caresuper.com.au.

In the first wave of our education series, topics will include:

- The basics of super
- If your partner has always decided
- 3 steps to getting in control
- The basics of investment
- One fund is easier to control
- The basics of insurance
- Choice of fund for employees
- Choice of fund for employers
- Standards for comparison.



“e-seminars can be accessed 24 hours a day, 7 days a week from the comfort of your own home or your office.”

Why super is important

Today we can expect to live at least 20 years in retirement (and that is based on a retirement age of 65). So, let's look at how easy it can be for you to take control of your financial future now and plan for your retirement through super?

As a guide, it is suggested you should aim for a retirement income of between 60% and 65% of your pre-retirement income, (assuming that most people pay little or no tax in retirement and will also have paid off their home). To achieve this level of income, financial experts say you will need to accumulate a lump sum of five to seven times your pre-retirement income to give you a reasonably comfortable retirement. But, the right amount depends on so many individual factors and you may be well advised to seek advice from a qualified financial planner to set you on the right course.

While super is not the only way you can fund your retirement, it certainly is one of the most tax-effective and easy ways in which you can take control and build a financially secure future.

There are several easy and relatively low-impact ways in which you can start to build wealth for your future.

The following are examples of ways you can maximise the growth of your superannuation benefits:

- Making your own **voluntary contributions**
- Taking advantage of the **Government's co-contribution**
- **Making salary sacrifice contributions** (if your employer agrees)
- **Rolling over** any other super you have into a single super account
- **Choosing an investment strategy that is right for you**
- **Making spouse contributions.**

When thinking about superannuation, it is easier to understand the concept when you break it up into two phases, the **accumulation phase** and the **drawdown phase**. In the accumulation phase you save during your pre-retirement years while you and your partner earn an income, and in the drawdown phase you use the money you have saved through super and other sources to live on in retirement.



As a member of CARE Super you can access commission free financial planning through Industry Fund Financial Planning (IFFP). Fixed fees are set up front and are based on the amount of work needed, not how much money you have to invest. For more information on how IFFP can help you achieve your goals call **1300 138 848** to speak to an IFFP planner in your state and make an appointment for your free initial assessment, or visit their website at **www.industryfundservices.com.au**

IFFP is a division of Industry Fund Services Pty Ltd. CARE Super invests in Industry Fund Services.

“Make the most of your super to achieve your retirement goals.”

Register now

One of the new initiatives CARE Super has introduced is free subscription to the quarterly email newsletter. By simply providing us with your email address, you can receive news about your superannuation fund and tips on building your nest egg on a regular basis. CARE Super has over 27,000 members who currently enjoy the benefits of this service.

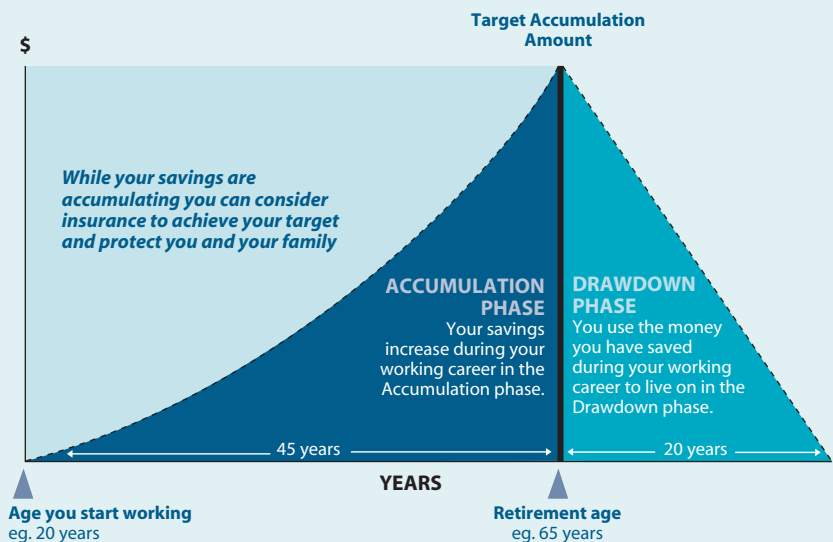
To register your details, simply log onto our website at **www.caresuper.com.au** or contact the CARESuperLine on **1300 360 149**.

Register your email address

www.caresuper.com.au

Want to live well in retirement? Then start saving now!

Accumulation vs drawdown



For this example we have assumed you started your working career at age 20 years and retired at age 65 years and you lived, as statistics suggest, another 20 years in retirement.

Super strong super

It's a fact, industry super funds, like CARE Super, are widely recognised as market leaders in terms of delivering superior returns to members in net benefit terms, based on:

- Economies of scale
- All profits to members
- No sales commissions
- Sound investment strategies
- No shareholder dividends.

The current advertising campaign conducted by Industry Super Funds (of which CARE Super is a participant), uses the 'Compare the pair' perspective. It demonstrates that, compared to retail funds, the higher returns achieved by industry funds and lower fees paid by their members, over time, result in higher retirement benefits.

The campaign was backed by independent research conducted by SuperRatings and Rainmaker. **The message was clear – the industry fund member was much better off!**

Note: The research was commissioned by Industry Fund Services, on behalf of the participating industry super funds. For further details, log onto www.industrysuper.com.au



The current television advertising campaign conducted by Industry Super Funds (of which CARE Super is a participant), uses the 'Compare the pair' perspective.

It pays to handle super with care.



13.0%
12.0%
11.0%
10.2%

The Members Equity MasterCard

How low can you go!

CARE Super members receive:

- Low ongoing interest rate of **10.20% p.a.**
- Low \$30 **annual fee waived after Year 1** when you spend over \$7500 each year[^]
- Low fees on cash advances and other transactions.

Call **1300 307 986** now or apply online today to get your card!

MembersEquity Bank
The Super Funds Bank

[^]\$30 annual fee waived after year 1 when you spend \$7500 or more on purchases each year. Interest rate is current as at 01/08/05 and is subject to change. Applications are subject to credit approval. Fees and charges apply. Terms and conditions available on request.

CARE Super invests in Members Equity, however it does not receive any commissions from promoting Members Equity products or when a CARE Super member uses a Members Equity product.



“You may be eligible for a super boost from the Government of an amount up to \$1,500.”

Government co-contribution

Did you forget to organise those regular payments to your CARE Super account throughout the year so you could take advantage of the Government's co-contribution? Were you scrambling to find \$1,000 to contribute as a lump sum before the cut off date of 30 June?

Then ease the pain! Sit back and forget about it – ask your employer to make a regular deduction from your pay packet or make regular direct debit payments from your bank account to your CARE Super account. For added convenience, members will be able to utilise CARE Super's BPay facility which will be introduced shortly.

As little as \$20 a week will accumulate to over \$1,000 in any given year. By contributing yourself you are boosting your super savings and you may be able to take advantage of the Government co-contribution scheme and see your

account balance grow even more to achieve your retirement goals.

Remember, if your annual income is less than \$58,000 and you meet the other criteria, the rewards are great.

For every dollar you put into your super from your after-tax pay, the Government will match it with up to \$1.50 and this could mean a super boost of up to \$1,500 in your CARE Super account.

➔ To find out more about the Government's co-contribution and if you are eligible, log onto www.caresuper.com.au or call the CARE SuperLine on **1300 360 149** or visit the ATO website at www.ato.gov.au or call the ATO on 13 10 20.

Insurance – who needs it?

CARE Super's insurance offers you and your family protection against the loss of earning potential as a result of your death or disablement.

If you consider your ability to work as the only major source of income for you and your family, then it's vital you think about insurance cover.

The premiums are deducted from your CARE Super account so you won't feel any impact on your disposable income.

Your insurance choices

Death and TPD cover up to \$2 million

- Unit based and/or Fixed Cover
- General or Professional scale
- Personal Health Statement required, and or

Income Protection cover up to \$20,000 per month

- Unit based
- General or Professional scale
- Personal Health Statement required.



Take the time to review your current insurance needs. Simply call the CARE SuperLine 1300 360 149 to arrange for a copy of the *CARE Super Insurance Guide*.

“CARE Super's insurance cover helps you protect the financial security and well being of your family.”

➔ **CARE SuperLine**
1300 360 149

Managing the investments

The assets of CARE Super are managed by the Trustee in the best financial interest of all members. The Trustee retains the services of JANA Investment Advisers Pty Ltd as its asset consultant and investment adviser.

The Trustee also appoints specialist investment managers who are responsible for the day-to-day management of the investments. With the assistance of JANA, the Trustee regularly monitors and reviews investment manager performance. In addition, to add to the security of your super, independent auditors review CARE Super on an ongoing basis and the assets are held by a custodian.

During the twelve months to 30 June 2005 there were no individual investments, nor was there any combination of investments that the Trustee knew, or ought reasonably to have known about, invested either directly or indirectly in any single enterprise or group of associated enterprises that have a combined value of 5% or more of CARE Super's total assets.

“The performance of investment managers is monitored regularly by the Trustee.”



CARE Super's investment managers during 2004/2005



Cash & Capital Guaranteed

AMP Life Ltd

Fixed Interest

AMP Capital Investors
Alliance Capital Management Australia Ltd
Bridgewater Associates
Principal/Capital
Members Equity
Vanguard Investments

Direct Property

Deutsche Asset Management
Industry Super Property Trust

Alternative Investments

AMP Capital Investors
FRM Australia
Harris
Hastings Fund Management Ltd
Holowesko
Industry Funds Management
Industry Funds Services (direct equity holding)
Macquarie Investment Management
Members Equity (direct equity holding)
Wilshire Australia Private Markets PST

Australian Shares

452 Capital
AMP Capital Investors
GMO Australia Ltd
Goldman Sachs JB Were Investment Management
Portfolio Partners (until April 2005)
Renaissance (from April 2005)
Wallara Asset Management

Overseas Shares

Bank of Ireland Asset Management
Colonial First State
Credit Suisse Asset Management (Australia)/
Capital International
Dexia (from June 2005)
Wellington Management Company
Baillie Gifford
Tower (until June 2005)

Investment overview

You can choose to invest your super in one or a combination of CARE Super's twelve investment options . .

Managed options

Capital Guaranteed option

Risk profile

Very low risk.

Investment objectives

- To achieve returns after tax and fees that exceed increases in the inflation rate [as measured by the Consumer Price Index (CPI)] by at least 1% p.a. over rolling five-year periods.
- Over shorter periods, ensure as far as possible that the amounts credited to members each year are competitive with those credited by comparable Capital Guaranteed options in other superannuation funds.
- To achieve positive returns after tax and fees in all financial years.

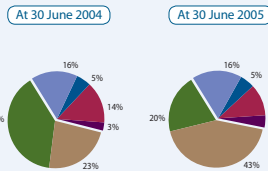
Investment strategy

The Capital Guaranteed option investment strategy is set out in the pie charts below. These charts show the actual percentage invested in each asset class as at 30 June 2005 and the corresponding percentages as at 30 June 2004.

Who backs the Capital Guaranteed option?
The Trustee has appointed AMP Capital Investors Ltd to manage these assets through a Capital Guaranteed contract with AMP Life Limited Statutory No. 1 Fund. AMP Life (not CARE Super) guarantees that your contributions and their accumulated earnings will not be reduced by negative investment returns or any reduction in the value of underlying assets.

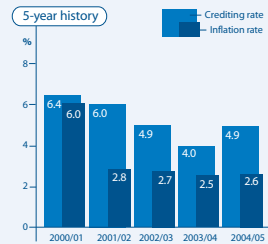
Asset allocation

- Fixed Interest
- Cash
- Australian Shares
- Direct Property
- Overseas Shares
- Alternative Investments



Crediting rates, earning rates and inflation

Note: Past performance is no guarantee of future returns. Returns shown are after tax and asset administration fees.



5-year average
The average crediting rate for the past five years to 30 June 2005 is 5.2% p.a.

Investment tip

tip Considering the low risk nature of this type of investment, long-term returns, even in a volatile investment climate, may be lower than those received from other types of superannuation investments. You may wish to seek the advice of an independent financial adviser about the relative rates of return of other types of superannuation investments.

Capital Stable option

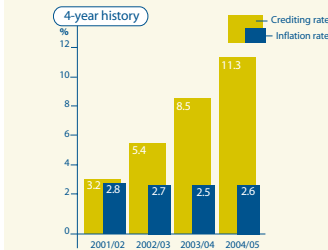
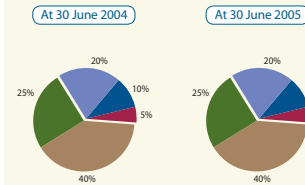
Low risk.

- To achieve returns after tax and fees that exceed increases in the inflation rate [as measured by the Consumer Price Index (CPI)] by at least 2% p.a. over rolling five-year periods.
- Over shorter periods, ensure as far as possible that the amounts credited to members each year are competitive with those credited by comparable Capital Stable options in other superannuation funds.
- To achieve positive returns after tax and fees in at least nine out of ten financial years.

The Capital Stable option investment strategy is set out in this table.

Asset class	Range	Benchmark
Australian Shares	10% - 30%	17%
Overseas Shares	0% - 20%	10%
Direct Property	0% - 10%	5%
Alternative Investments	0% - 10%	3%
Total growth assets		35%
Fixed Interest	30% - 50%	40%
Cash	10% - 40%	25%
Total defensive assets		65%

Note: Change in Investment Strategy from 1 July 2005



As the Capital Stable option was introduced on 1 July 2001 only a four-year history is available.

4-year average
The average crediting rate for the Capital Stable option for the past four years to 30 June 2005 was 7.1% p.a.

tip Capital Stable generally suits someone seeking long-term capital security.

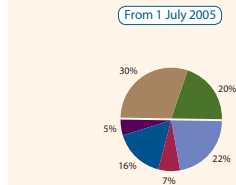
Conservative Balanced option

Low to moderate risk.

- To achieve returns after tax and fees that exceed increases in the inflation rate [as measured by the CPI] by at least 2.5% per annum over rolling five-year periods
- Over shorter periods, ensure as far as possible that the amounts credited to members each year are competitive with those credited by comparable options in other superannuation funds
- To achieve positive returns after tax and fees in at least eight out of ten financial years.

The Conservative Balanced option investment strategy is set out in this table.

Asset class	Range	Benchmark
Australian Shares	10% - 35%	22%
Overseas Shares	10% - 25%	16%
Direct Property	0% - 15%	7%
Alternative Investments	0% - 10%	5%
Total growth assets		50%
Fixed Interest	20% - 40%	30%
Cash	10% - 35%	20%
Total defensive assets		50%



As the Conservative Balanced option was introduced on 1 July 2005 no history is available.

tip Members seeking returns above the rate of inflation over the long-term, but with a more stable pattern of returns than might be experienced by the Balanced Option.

“ The Balanced option is CARE Super’s default option. Unless you make a choice your money will be invested in this option. ”

Balanced option (default)



Moderate risk.

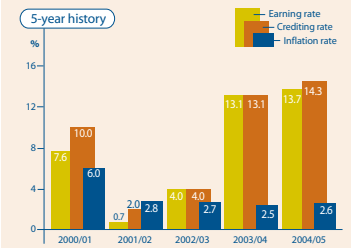
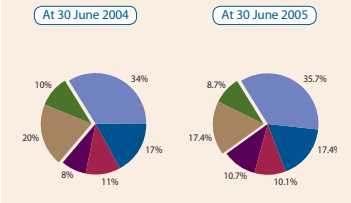
- To achieve returns after tax and fees that exceed increases in the inflation rate (as measured by the Consumer Price Index (CPI) by at least 3% p.a. over rolling five-year periods.
- Over shorter periods, ensure as far as possible that the amounts credited to members each year are competitive with those credited by comparable Balanced options in other superannuation funds.
- To achieve positive returns after tax and fees in at least eight out of ten financial years.

Note: An Investment Fluctuation Reserve (IFR) was maintained until 30 June, 2005. However, the Trustee has resolved to distribute remaining reserves at 30 June, 2005 and discontinue the maintenance of the Investment Fluctuation Reserve.

The Balanced option investment strategy is set out in this table.

Asset class	Range	Benchmark
Australian Shares	25% - 45%	32%
Overseas Shares	10% - 30%	20%
Direct Property	0% - 20%	10%
Alternative Investments	0% - 25%	13%
Total growth assets		75%
Fixed Interest	15% - 35%	20%
Cash & Capital Guaranteed	0% - 15%	5%
Total defensive assets		25%

Note: Change in investment strategy from 1 July 2005.



This chart shows the history of crediting rates, earning rates and a comparison with the inflation rate. The earning rate is the total amount earned by the Balanced option and the crediting rate is the rate actually credited to your account. From 1 July 2005 the Trustee will not maintain an investment fluctuation reserve and as in other options the actual earning rate will be credited to members accounts.

5-year average
The average crediting rate for the Balanced option for the past five years to 30 June 2005 was **8.7% p.a.**

Sustainable Balanced option



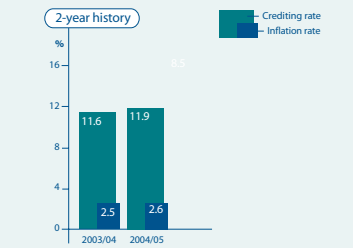
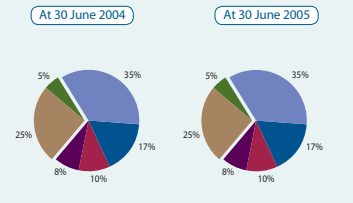
Moderate risk.

- To achieve returns after tax and fees that exceed increases in the inflation rate (as measured by the Consumer Price Index (CPI) by at least 3% p.a. over rolling five-year periods.
- Within the Australian and Overseas Shares asset classes, to invest in industries and companies that are expected to achieve sound investment returns, maintain good social and/or environmental records and have a sustainable future.
- To achieve positive returns after tax and fees in at least eight out of ten financial years.

The Sustainable Balanced option investment strategy is set out in this table.

Asset class	Range	Benchmark
Australian Shares	25% - 45%	32%
Overseas Shares	10% - 30%	20%
Direct Property	0% - 20%	10%
Alternative Investments	0% - 25%	13%
Total growth assets		75%
Fixed Interest	15% - 35%	20%
Cash & Capital Guaranteed	0% - 15%	5%
Total defensive assets		25%

Note: Change in investment strategy from 1 July 2005.



As the Sustainable Balanced option was introduced on 1 January 2003 only a two and a half year history is available.

2-year average
The average crediting rate applied to the Sustainable Balanced option as at 30 June 2005 was **11.7% p.a.**

Alternative Growth option



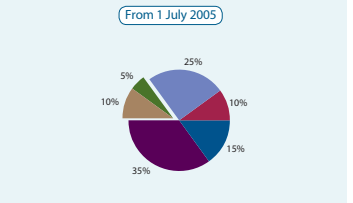
High risk.

- To achieve returns after-tax and fees that exceed increases in the inflation rate (as measured by the CPI) by at least 4% per annum over rolling five-year periods
- Over the long-term, to produce a less volatile return profile than the Growth option by investing a significant component of the portfolio in alternative investments
- To achieve positive returns after-tax and fees in at least eight out of ten financial years.

The Alternative Growth option investment strategy is set out in this table.

Asset class	Range	Benchmark
Australian Shares	10%-40%	25%
Overseas Shares	5%-30%	15%
Direct Property	0%-25%	10%
Alternative Investments	20%-50%	35%
Total growth assets		85%
Fixed Interest	0%-20%	10%
Cash	0%-20%	5%
Total defensive assets		15%

Note: Change in investment strategy from 1 July 2005.



As the Alternative Growth option was introduced on 1 July 2005 a yearly history is unavailable.

Growth option



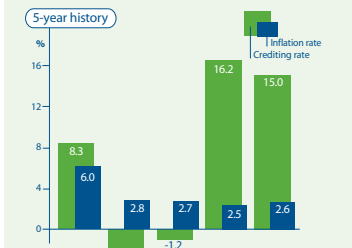
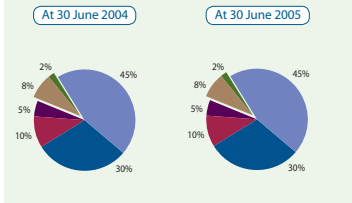
High risk.

- To achieve returns after tax and fees that exceed increases in the inflation rate (as measured by the Consumer Price Index (CPI) by at least 4% p.a. over rolling five-year periods.
- Over shorter periods, ensure as far as possible that the amounts credited to members each year are competitive with those credited by comparable growth options in other superannuation funds.
- To achieve positive returns after tax and fees in at least seven out of ten financial years.

The Growth option investment strategy is set out in this table.

Asset class	Range	Benchmark
Australian Shares	25% - 60%	40%
Overseas Shares	15% - 45%	30%
Direct Property	0% - 20%	10%
Alternative Investments	0% - 25%	10%
Total growth assets		90%
Fixed Interest	0% - 20%	8%
Cash	0% - 20%	2%
Total defensive assets		10%

Note: Change in investment strategy from 1 July 2005.



5-year average
The average crediting rate for the Growth Option for the past five years to 30 June 2005 was **7.0% p.a.**

tip Think super, think long-term. Returns over longer periods are more important than single yearly results. Your investments in this option are not guaranteed. The value of your investment can rise or fall.






tip CARE Super’s Sustainable Balanced option invests in industries and companies that are considered to have a sustainable future on environmental and/or social grounds. Your investment in this option is not guaranteed. The value of it can rise and fall.

tip This option aims to achieve long-term capital growth by investing mainly in growth assets. The option aims to deliver a more stable pattern of returns than would be expected to be experienced by the Growth option by investing a significant component of the portfolio in alternative investments.

tip Be prepared to weather some ups and downs in investments. Your investment in this option is not guaranteed. The value of it can rise and fall.

Investment overview (cont)

Asset Class options

	Investment objective	Risk profile
Cash 	<ul style="list-style-type: none"> To achieve returns after tax and fees at least in line with increases in the inflation rate (as measured by the CPI) over rolling five-year periods Over shorter periods, to outperform the return of the Australian cash market (as measured by the UBSA Bank Bill Index) To achieve positive returns after tax and fees in all financial years. 	Low
Fixed Interest 	<ul style="list-style-type: none"> To achieve returns after tax and fees that exceed increases in the inflation rate (as measured by the CPI) by at least 2% p.a. over rolling five-year periods Over shorter periods, to outperform the return of a mix of the Australian and overseas bond markets (as measured by a benchmark consisting of the UBSA Composite Bond Index, UBSA Government Inflation Index and Lehman Global Aggregate Index [hedged]) To achieve positive returns after tax and fees in at least nine out of ten financial years. 	Moderate
Direct Property 	<ul style="list-style-type: none"> To achieve returns after tax and fees that exceed increases in the inflation rate (as measured by the CPI) by at least 4% p.a. over rolling five-year periods Over shorter periods, to outperform the return of the Australian direct property market (as measured by the Mercer Australian Unlisted Property Index [pre-tax]) To achieve positive returns after tax and fees in at least eight out of ten financial years. 	Moderate
Overseas Shares 	<ul style="list-style-type: none"> To achieve returns after tax and fees that exceed increases in the inflation rate (as measured by the CPI) by at least 5% p.a. over rolling five-year periods Over shorter periods, to outperform the return of the overseas share market (as measured by the MSCI World ex-Australia Index in \$A) To achieve positive returns after tax and fees in at least seven out of ten financial years. 	High
Australian Shares 	<ul style="list-style-type: none"> To achieve returns after tax and fees that exceed increases in the inflation rate (as measured by the CPI) by at least 5% p.a. over rolling five-year periods Over shorter periods, to outperform the return of the Australian share market (as measured by the S&P/ASX300 ex LPT's Accumulation Index) To achieve positive returns after tax and fees in at least seven out of ten financial years. 	High

Note: The benchmark is for Overseas Shares to be unhedged and for overseas bonds to be hedged back to the Australian dollar.

Crediting rates and inflation

As the Asset Class options were only introduced on 1 July 2001 only a four-year history is available. The crediting rates applied to each of the asset classes and compared to inflation are shown in this table.

4-year history

Asset class	Crediting rate (%)				Inflation rate (%)			
	At 30 June 2002	At 30 June 2003	At 30 June 2004	At 30 June 2005	At 30 June 2002	At 30 June 2003	At 30 June 2004	At 30 June 2005
Cash	3.9	4.4	4.5	4.8				
Fixed Interest	5.6	11.2	4.0	9.3				
Direct Property	8.7	9.1	10.5	11.1	2.8	2.7	2.5	2.6
Australian Shares	0.1	0.8	21.4	26.0				
Overseas Shares	-13.7	-12.6	16.6	3.8				

Looking after YOUR super



CARE Super's Board of Directors. Standing: Michael Want, Angela Emslie, Gabriel Szondy, Julie Lander (CEO), John Burge, David Purchase. Seated: Catherine Wood, Michael O'Sullivan (Deputy Chairman), Barry Watchorn (Chairman), Sue-Anne Burnley

The Trustee

The Trustee is responsible for ensuring CARE Super is managed properly and in the best interests of all members. The Trustee Board comprises four Directors representative of members, four Directors representative of employers and one Independent Director.

Directors are nominated by their respective organisations in accordance with their particular nomination procedure.

Directors receive a modest remuneration. This year, two directors received fees in the range of \$28,000 to \$35,000 and the remaining seven directors received fees in the range of \$20,000 to \$28,000.

The Trustee of CARE Super is CARE Super Pty Ltd, ABN 91 006 670 060 and it is a holder of Australian Financial Services License number 235226.

Introducing the Board

Continuity of the Board is evident in its stability. There have been very few changes to its composition over the life of CARE Super.

Outlined on this page are the CARE Super Trustee Directors. The numbers in brackets represents the number of meetings attended out of the number of meetings the Director was eligible to attend. There are 12 meetings held annually.

Member representatives

Sue-Anne Burnley, Director since 2000 (10/12 meetings) *Shop, Distributive and Allied Employees Association*

Michael O'Sullivan, Director since 1996 (10/12 meetings) and Deputy Chairman (appointed 24 February 2004) - *Australian Services Union*

Michael Want, Director since 1994 (12/12 meetings) *Australian Services Union*

Catherine Wood, Director since 2000 (11/12 meetings) *Australian Services Union*

Employer representatives

John Burge, Director since 2002 (12/12 meetings) *National Insurance Brokers Association*

Angela Emslie, Director appointed in August 2004 (10/10 meetings) *Victorian Employers' Chamber of Commerce and Industry*

Note: Shaun Strachan, Alternative Director, for Angela Emslie attended one meeting.

David Purchase, Director since 2000 (9/12 meetings) *Victorian Automobile Chamber of Commerce*

Edward Tritton, Director since 1994 resigned August 2004 (1/1 meetings) *Victorian Employers' Chamber of Commerce and Industry*

Barry Watchorn, Director since 1998 (11/12 meetings) and Chairman (appointed 24 February 2004) - *Australian Industry Group*

Shaun Strachan, (Alternate Director for Angela Emslie) appointed 27 June 2005 (1/1 meeting) *Victorian Employers' Chamber of Commerce and Industry*

Independent Director

Gabriel Szondy, Director since 2000 (11/12 meetings) *PricewaterhouseCoopers*

Associated directorships

The following Directors occupy positions on related bodies representing CARE Super's interests.

John Burge - Director, *Industry Superannuation Property Trust*

Michael O'Sullivan - Director, *Industry Fund Services Pty Ltd*, President, *Australian Council of Super Investors*

Advisers to the Trustee

Many of the matters associated with running CARE Super are complex. The Trustee has appointed the following specialist organisations to assist it with the key operations of the Fund.

Administration

Australian Administration Services Pty Ltd

Asset Consultant

JANA Investment Advisers Pty Ltd

Auditor

Ernst & Young

Credit Control Services

Industry Funds Credit Control Pty Ltd

Custodian

National Australia Custodian Services

Insurer

PrefSure Life Limited

Legal Adviser

IFS Legal

Tax Adviser

KPMG

Trustee indemnity insurance

The Trustee of CARE Super has taken out indemnity insurance to protect the directors of the Trustee and consequently the Fund from the potential costs of legal action against them.

Compliance

CARE Super is a regulated superannuation fund under the Superannuation Industry (Supervision) Act. The Trustee will lodge its annual return for 2005 as required by that Act and will continue to operate in accordance with all statutory requirements of superannuation, taxation and other relevant legislation.

Financial fitness

CARE Super has a duty of care when it comes to looking after the financial fitness of your fund.

It's your money and in order to maintain a healthy fund for you, CARE Super's Trustees keep a close watch on the Fund's investment performance and they exercise rigid control on spending. The result is a financially fit fund.

This financial summary is based on unaudited accounts and shows CARE Super's main financial transactions for the year ended 30 June 2005 and corresponding figures to 30 June 2004. A copy of the audited accounts will be available on request after 30 September 2005. See page 18 for CARE Super's contact details.



STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2005

	30 June 2005 \$	30 June 2004 \$
ASSETS		
Cash Assets		
Cash at bank	6,774,055	3,758,286
Receivables		
Contributions Receivable	17,905,399	18,491,088
Group Life Insurance Proceeds Receivable	1,531,077	1,470,987
Sundry Debtor	241,837	250,216
Investments		
Other Interest Bearing Securities	390,266,581	336,790,007
Shares in Listed Companies	1,133,516,724	844,663,498
Other Pooled Investments	359,808,783	310,585,943
Property	208,583,544	188,549,131
Other Assets		
Fixed Assets	36,670	62,358
TOTAL ASSETS	2,118,664,670	1,704,621,514
LIABILITIES		
Payables		
Group Life Insurance Premiums Payable	737,267	506,863
Sundry Creditors	113,122	19,374
Provision for Employee Benefits	92,683	138,665
Benefits Payable	6,830,608	3,968,297
Accounts Payable	1,116,346	752,164
Tax Liabilities		
Income Tax Payable	(6,198,824)	7,363,871
Provision for Deferred Income Tax	20,035,690	10,726,152
TOTAL LIABILITIES	22,726,892	23,475,386
NET ASSETS AVAILABLE TO PAY BENEFITS	2,095,937,778	1,681,146,128
Represented by:		
LIABILITY FOR ACCRUED BENEFITS		
Allocated to members' accounts	2,084,100,899	1,660,483,504
Not yet allocated	11,836,879	20,662,624
	2,095,937,778	1,681,146,128



OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2005

	30 June 2005 \$	30 June 2004 \$
INVESTMENT REVENUE		
Bank & Investment Interest	5,232,633	3,556,500
Distributions & Dividends	122,289,982	81,436,166
Changes in Net Market Value	119,653,215	115,306,224
Other Investment Income	1,633,720	1,426,378
	248,809,550	201,725,268
CONTRIBUTIONS REVENUE		
Employer	247,649,843	227,663,208
Member	30,397,500	18,347,562
Rollovers	96,798,321	108,388,937
	374,845,664	354,399,707
OTHER REVENUE		
Group Life Insurance Rebate	(221,403)	(1,063,195)
Group Life Insurance Proceeds	4,710,335	4,300,924
Other Income	99,164	102,876
	4,588,096	3,340,605
TOTAL REVENUES FROM ORDINARY ACTIVITIES	628,243,310	559,465,580
INVESTMENT EXPENSES		
Direct Investment Expenses	11,465,733	3,263,402
GENERAL ADMINISTRATION EXPENSES		
Administration Expenses	6,921,549	5,691,583
Audit Fees	57,705	20,570
Group Life Insurance Premiums	8,620,871	6,296,431
Operating Expenses (GST inclusive)	4,362,146	3,943,375
Anti-Detriment Payments	114,809	91,473
Superannuation Contributions Surcharge	2,552,633	1,927,027
TOTAL EXPENSES FROM ORDINARY ACTIVITIES	34,095,446	21,233,861
BENEFITS ACCRUED AS A RESULT OF OPERATIONS BEFORE INCOME TAX	594,147,864	538,231,719
INCOME TAX EXPENSE	35,642,583	49,840,740
BENEFITS ACCRUED AS A RESULT OF OPERATIONS AFTER INCOME TAX	558,505,281	488,390,979



“... a financially fit fund”

Member noticeboard

Fees deducted from your account

CARE Super charges fees only to cover costs, not to make a profit. Every type of fee that may be made by CARE Super is fully described in this section. They include:

- Fees paid from your CARE Super account
- Fees paid from the assets of CARE Super as a whole or from a particular investment option.

Type of fee or cost	Amount	How & when paid																								
Fees when your money moves in or out of the Fund																										
Establishment fees The fee to open your account.	\$0	Not applicable.																								
Contribution fees The fee on each amount contributed to your investment – either by you or your employer.	\$0	Not applicable.																								
Withdrawal fee The fee on each amount you take out of your account.	\$35 (Provided the account balance is more than \$1,035.)	The fee is withdrawn from your CARE Super account at the point of withdrawal.																								
Termination fee The fee to close your account.	\$0	Not applicable.																								
Management costs																										
Administration fee The fees and costs for administering your account.	\$1.50	The fee is calculated weekly and debited monthly.																								
Investment fee The cost of investment for each option. This fee will differ from year to year as some of CARE Super's managers are paid partly on a performance fee basis. The figures shown are estimated for 2004/2005 financial year. <i>* As these investment options were introduced 1 July, 2005, there is no history available and therefore these are anticipated costs for the 2005/2006 financial year.</i>	<table border="0"> <tr> <td>Capital Guaranteed</td> <td>2.18%</td> </tr> <tr> <td>Capital Stable</td> <td>0.34%</td> </tr> <tr> <td>Conservative Balanced</td> <td>0.49%*</td> </tr> <tr> <td>Balanced</td> <td>0.57%</td> </tr> <tr> <td>Sustainable Balanced</td> <td>0.76%</td> </tr> <tr> <td>Alternative Growth</td> <td>1.15%*</td> </tr> <tr> <td>Growth</td> <td>0.58%</td> </tr> <tr> <td>Cash</td> <td>0.16%</td> </tr> <tr> <td>Fixed Interest</td> <td>0.30%</td> </tr> <tr> <td>Direct Property</td> <td>0.56%</td> </tr> <tr> <td>Overseas Shares</td> <td>0.72%</td> </tr> <tr> <td>Australian Shares</td> <td>0.39%</td> </tr> </table>	Capital Guaranteed	2.18%	Capital Stable	0.34%	Conservative Balanced	0.49%*	Balanced	0.57%	Sustainable Balanced	0.76%	Alternative Growth	1.15%*	Growth	0.58%	Cash	0.16%	Fixed Interest	0.30%	Direct Property	0.56%	Overseas Shares	0.72%	Australian Shares	0.39%	The fee is withdrawn from the investment option before interest is allocated to your CARE Super account at the end of the financial year.
Capital Guaranteed	2.18%																									
Capital Stable	0.34%																									
Conservative Balanced	0.49%*																									
Balanced	0.57%																									
Sustainable Balanced	0.76%																									
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Growth	0.58%																									
Cash	0.16%																									
Fixed Interest	0.30%																									
Direct Property	0.56%																									
Overseas Shares	0.72%																									
Australian Shares	0.39%																									
Service fees																										
Investment switching fee The fee for changing investment options.	The first four switches in a 12 month period are free. Subsequent switches will incur a fee of \$20 each.	The fee is withdrawn from your CARE Super account at the time of a fifth or subsequent switch in a year.																								
Location fee The search fee required if CARE Super loses track of you as a result of expired contact details.	Up to \$35	The fee is withdrawn from your CARE Super account at the point of the search taking place.																								
Family law fee The fee for family law requests and changes.	\$100 for an application for information by members (plus GST for non members); \$100 to effect an account split.	The fee is withdrawn from your CARE Super account at the point of the information being provided. (For non members the fee needs to be paid before the information is provided.) The fee for splitting the account is deducted equally when the account is split.																								
Binding death benefit nomination fee The fee for processing a binding death benefit nomination.	\$10 each time a nomination is processed.	The fee is withdrawn from your CARE Super account at the time of processing.																								



Fees deducted from the investment options

These are investment costs for investment managers, CARE Super's custodian and investment adviser. Investment costs are deducted from the investment options before the interest is allocated to your account. The fees can differ from year to year as some of CARE Super's investment managers are paid partly on a performance fee basis.

Example of annual fees and costs – Balanced option

The following example shows the fees and charges relating to the Balanced option over a year. You can use these figures for comparative purposes.

An opening balance of \$50,000 with contributions of \$5,000 during the year.

Contribution fee: \$0

Management costs:

For every \$50,000 you have in the fund;
Investment Fee = \$285 (0.57% X \$50,000) plus

Administration Fee = \$78 (\$1.50 X 52 weeks).

Note: The Investment Fee may vary each year while the Administration Fee does not change according to your account balance).

Investment Contribution Fee: Therefore, if you put in \$5,000 to the Balanced option during a year, (with an account balance of \$50,000) the fee charged will be approximately \$363. (Costs may vary each year and are different for each option choice – see table opposite.)

Contribution tax

Contribution tax is deducted from employer contributions after the deduction of fees and insurance premiums and prior to the calculation and allocation of interest. Details on taxation are provided on page 16.

Insurance

It costs only \$1 per week for each unit of insurance cover you have taken out with CARE Super. Alternatively, for Fixed cover or Income Protection, premiums are calculated according to your age. These premiums are also deducted directly from your CARE Super account.



Super facts

These amounts apply for the 2005/2006 tax year:

- Contributions tax – **15%**
- Tax on earnings – up to **15%**
- Reasonable Benefit Limits
 - Lump sum **\$648,946**
 - Pension **\$1,297,886**
- Compulsory employer contributions – **9%**

Preservation

Preservation is a Federal Government requirement that most or all of your superannuation benefit is kept in the superannuation system until you cease full-time work after reaching your preservation age. Preserved benefits cannot be paid to you unless you satisfy certain conditions of release, which include:

Member noticeboard (cont)

- Retiring from the workforce on or after reaching the preservation age (see table),
- Becoming totally and permanently disabled or dying,
- Satisfying the requirements for the early release of your benefit on compassionate or financial hardship grounds, or
- Termination of gainful employment with an employer who had contributed to the fund on your behalf and that your preserved benefit in the fund at the time of termination was less than \$200.

The age to which your benefit must be preserved depends on your date of birth, as shown in this table.

Date of birth	Preservation age
Before 1 July 1960	55
Between 1 July 1960 and 30 June 1961	56
Between 1 July 1961 and 30 June 1962	57
Between 1 July 1962 and 30 June 1963	58
Between 1 July 1963 and 30 June 1964	59
On or after 1 July 1964	60

Transition to retirement

From 1 July 2005, members who have reached their preservation age may access their benefits in the form of a non-commutable income stream without having to retire or leave their job. The income stream can be in the form of a non-commutable pension or annuity or a

non-commutable allocated pension or annuity. Unlike other allocated pensions, the benefit cannot be commuted into a lump sum once it has commenced until the person has met a 'condition of release', such as retirement or age 65. There is no limit on the amount that can be rolled over to a non-commutable income stream, nor do members have to reduce their working hours.

Protecting small account balances

CARE Super protects member accounts with small balances under \$1,000 from erosion by administration fees that are greater than the investment earnings of the account balance. This is a special feature required by superannuation law.

However, protection does not apply to deductions for tax, insurance premiums or when an investment option has a negative return.

This year the cost of member benefit protection to CARE Super was \$709,485 equivalent to 0.03% of assets.

Portability of benefits

The six-month rule regarding the portability of benefits has been changed, effective from 1 July 2005. Prior to 1 July 2005, if a fund had received employer contributions within a previous six-month period on behalf of a member wishing to transfer a benefit to another fund, then it was under no obligation to do so.

FREE Retirement and Financial Planning Seminars

CARE Super regularly conducts free financial planning seminars each year. This gives you a great opportunity to listen to the experts and gain an insight into some of the ways you can get ahead and start planning for your retirement.

Seminars are held in Melbourne, Sydney and Brisbane and some regional centres. To find out when these seminars are on, simply log onto www.caresuper.com.au, or contact your CARE Super state office and ask to speak to one of our Client Partnership Managers. Seminars are held regularly across Australia. To check out the latest seminar dates at a location near you, go to www.caresuper.com.au



Log onto www.caresuper.com.au to register.

www.caresuper.com.au

Now that the six-month rule has been removed, it will be easier for members to transfer their other super into their CARE Super account.

However, you should be aware that trustees are not obliged to accept a member's request to transfer their benefits unless:

- Where a member is not transferring their total balance, the member's remaining account balance is at least \$5,000 (CARE Super has set this amount to be \$1,500)
- The member has not requested a transfer within the previous 12 months, and
- The nominated fund is willing to accept the transfer amount.

Portability is not compulsory for defined benefits funds or allocated pensions.

Compulsory employer contributions

Your employer's contributions to CARE Super made on your behalf are governed by the Superannuation Guarantee legislation, an award or employment agreement.

Superannuation Guarantee contributions are a set percentage of 9% of your ordinary time earnings. These must be paid by your employer at least quarterly.

Unpaid contributions

CARE Super works with employers to ensure they are aware of their superannuation obligations to you. While CARE Super does this to assist the employer and you, you should also ensure all contributions you were expecting were credited to your account.

Personal contributions, that you have authorised your employer to deduct from your wage or salary, must be paid by the 28th day after the month in which the deduction was made.

If you have any enquiries regarding a contribution shortfall, you should contact your employer or call the CARE SuperLine 1300 360 149.

If necessary, CARE Super uses the services of Industry Funds Credit Control Pty Ltd to collect contributions from employers who have not paid them by the promised date.

Superannuation Surcharge tax abolished

From 1 July 2005 the Superannuation Surcharge tax has been abolished. However, you should be aware that any surcharge liability previously incurred is still payable. If you have incurred this charge, it will be deducted from your member account.

Your privacy is important to us

All businesses that collect personal information (including super funds) are obliged to disclose what their policy is on privacy.

CARE Super has always respected the trust you place in us when you provide us with your personal information, so the Government's policy has not dramatically changed the way we operate or communicate with you.

Any personal information collected by CARE Super is used for the sole purpose of maintaining, managing and administering your account with us and communicating with you. This includes the determination of benefit entitlements, insurances, investments, calculating and paying benefits and meeting regulatory requirements.

You can find out more about CARE Super's privacy policy, by logging onto CARE Super's website www.caresuper.com.au or call the CARE SuperLine and request a copy of CARE Super's Privacy brochure to be sent to you.

Enquiries and complaints

The Trustee of CARE Super has established procedures to deal fairly with enquiries and complaints from members and beneficiaries. All complaints will be handled in a courteous and confidential manner and will be properly considered and dealt with within 90 days. Once the Trustee has investigated your complaint you will receive a written reply explaining the Trustee's decisions.

If you have an enquiry or complaint, the first step is to write to:

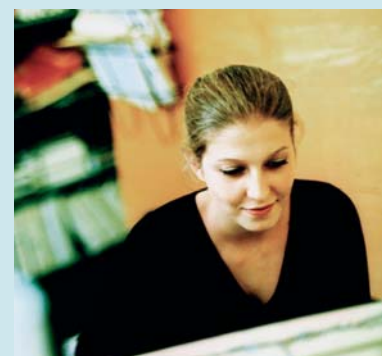
The Enquiries and Complaints Officer
CARE Super
GPO Box 1923R
Melbourne Vic 3001

If you are dissatisfied with the Trustee's response to your complaint, or you don't receive a response in 90 days, you may lodge a complaint with the Superannuation

Complaints Tribunal (SCT). The SCT is an independent body set up by the Federal Government to resolve certain types of complaints raised by fund members. The SCT is only authorised to deal with matters or trustee's decisions affecting you, as an individual, not matters affecting fund members on the whole. Examples of matters the SCT cannot deal with include complaints about the poor earnings of a fund and high fees and charges, unless those fees were misrepresented or not disclosed to you.

The procedure you need to follow, time limits and what you need to do if you are not satisfied with CARE Super's handling of your complaint can be found in the brochure Making enquiries & complaints (available on request and on the CARE Super website

www.caresuper.com.au



Keeping in touch is easy

Contacting CARE Super is a breeze. There are three easy ways to use the services available.

For easy access to your CARE Super account information just call Monday to Friday, between 8:00am and 8:00pm EST and talk to one of our friendly staff.

→ *CARE SuperLine*
1300 360 149

Simply log on to access the up to date news and information. You can even download the latest member publications and forms.

→ *CARE SuperOnline*
www.caresuper.com.au

View your account balance and change your details online... Simply log on to www.caresuper.com.au and follow the links to CARE Super MemberOnline.

→ *CARE SuperMemberOnline*
www.caresuper.com.au



→ Contact details

CARE Super

GPO Box 1923R
Melbourne Vic 3001

Fax (03) 9629 8958

Email admin@caresuper.com.au

Stay in touch with us, too!

If you have changed any of your personal details, such as your name, address or any of your contact numbers, or you are about to, then don't forget to let CARE Super know. If we can't contact you, you may lose sight of your super savings.

Call CARE SuperLine on **1300 360 149** or log onto **www.caresuper.com.au** to advise your new details.

“CARE SuperOnline
– fast and efficient super.”

Disclaimer

This Annual Report is issued by the Trustee of CARE Super, CARE Super Pty Ltd ABN 91 006 670 060, the holder of Australian Financial Services Licence 235226. The information contained in this Annual Report is about CARE Super and is not intended as financial advice. It does not take into account specific needs, so members should look at their own personal position, objectives and requirements before taking any action.

This 2005 Annual Report to Members is a regulated document that summarizes the Fund's performance over the past year. The Trust Deed is the legal document governing your superannuation benefit. Other information about CARE Super: a copy of the Trust Deed, Investment Policy Statement, the Fund's audited accounts and auditor's report, are available upon request. If you would like to see these documents, please call the CARE SuperLine on 1300 360 149.