



ISPF ANNUAL REPORT FOR YEAR ENDING 30 JUNE 2007

This is the Annual Report for The ISPF Eligible Rollover Fund (“ISPF”), RSE Registration Number R1068887, ABN 55 807 574 608. It provides information about the Fund for year ending 30 June 2007. Please read this Report in conjunction with ISPF’s Product Disclosure Statement (“PDS”), which provides important information about the Fund’s main features, costs, benefits and investments. This Report, the PDS and the Member’s Annual Statement at 30 June 2007 together form ISPF’s annual reporting to members.

The information provided in this Report is of a general nature and does not take into account your individual objectives, financial situation or needs. If you require such specific advice, you should contact an appropriately qualified financial adviser.

The Trustee (or its related entities), the Founder, or the Administrator do not guarantee the performance of the Fund, or the repayment of capital, or any particular rate of return. See the last page for details about the Trustee, Founder and Administrator.

Investment Performance for Year Ended 30 June 2007

The 2007 year was another excellent year for members of ISPF, with 16.5% credited to members’ accounts.

The table below shows the rate of earnings credited to members, compared with the actual investment earnings of the Fund, after the deduction of relevant taxes, fees and costs:

Financial Year Ended	Crediting Rate (%)	Fund Net Earning Rate (%)
30 June 2007	16.5%	17.10%
30 June 2006	14.0	13.72
30 June 2005	11.0	12.25
30 June 2004	7.0	7.48
30 June 2003	2.0	3.9
Average*	10.0%	10.8%

* “Average” is the compound average of the net earning rates and crediting rates since inception. Past performance is not a reliable indicator of future performance.

Your benefits receive some protection from fees and costs

ISPF is an Eligible Rollover Fund (“ERF”). Under Government legislation, ERFs cannot charge administration fees to members’ accounts in excess of earnings credited to those accounts. This means that the account balances of all members in ISPF are protected from erosion by fees or charges except for periods where the Fund’s total investment earnings to be distributed to members are insufficient to cover the total administration costs to be debited to members’ benefits. In such periods, each member can be charged no more than an amount equal to their investment return plus \$10.

This protection does not apply to government taxation or indirect fees. Indirect fees (such as the management fees paid to the investment managers) are deducted before the crediting rate is determined.

Any surcharge liability payable to the Australian Taxation Office (“ATO”) will be deducted from the relevant member’s account balance and remitted to the ATO. Although the surcharge tax was abolished from 1 July 2005, the ATO is still issuing assessments of surcharge liabilities in respect of amounts contributed to superannuation prior to 1 July 2005.

Portability of benefits

You can request a transfer of some or all of your benefits to another superannuation fund at any time. Upon receipt of all necessary information, superannuation funds have a maximum of 30 days to transfer benefits where requested to do so by a member, however, a longer period may apply in the case of illiquid investments. Additional information may be required in the case of a request to transfer benefits to a self managed superannuation fund.

A standard transfer request form (with some standard proof of identity requirements) has also been introduced.

From 1 July 2007, any partial payment of superannuation benefits from superannuation must be withdrawn from the exempt (tax-free) and taxable components in proportion. For more information about tax, see the PDS or seek appropriately qualified advice.

Proof of identity

As a result of Government reforms designed to counteract money laundering and terrorism financing, from 12 December 2007 you may be required to provide proof of identity or meet other requirements as determined by the Trustee from time to time prior to being able to access your benefits in cash (called “customer identification” requirements). You will be notified of any requirements when applicable. These reforms also require the Trustee to report suspicious transactions to Austrac (a government agency responsible for anti-money laundering and counter-terrorism financing). This may involve the disclosure of a member’s personal information by the Trustee to Austrac.

Additional tax where you have not provided your TFN

Where you joined the Fund prior to 1 July 2007 and have not provided your TFN to the Fund, any taxable contributions such as employer contributions paid into the Fund by the ATO (superannuation guarantee shortfall amounts) (no-TFN contributions) above \$1,000 in any year, will be taxed at the top marginal rate of 45% plus Medicare Levy (rather than 15%). The Trustee may (but is not obliged to) recover any additional tax paid by it in respect of your no-TFN contributions if the Fund is subsequently provided with your TFN (within 3 years after the year for which additional tax is assessed). The Trustee will make reasonable endeavours to recover such tax but does not guarantee it will do so in the event that a member has left the Fund prior to receiving the member's TFN.

You can provide your TFN by contacting the Fund (contact details on the back page). If you join the Fund after 30 June 2007, the higher tax will apply on all taxable contributions received for you by the Fund.

Under the Superannuation Industry (Supervision) Act 1993, the Fund is authorised to collect your TFN, which will only be used for lawful purposes.

These purposes may change in the future as a result of legislative change. The Trustee may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request in writing that your TFN not be disclosed to any other superannuation provider.

It is not an offence not to quote your TFN. However providing your TFN has a number of advantages (which may not otherwise apply) including:

- the tax on any contributions to your superannuation account/s will not increase;
- other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits; and
- it will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

ISPF's Investment Objectives

The Trustee of ISPF aims to achieve a rate of return which is competitive against a peer group of other Eligible Rollover Funds through investment in a diverse range of assets whilst also maintaining sufficient liquidity to cover all operating costs of the Fund. Specifically, the objective of the Fund is to achieve earnings that exceed inflation by at least 2% averaged over rolling 5 year periods. However, despite this objective, there may be periods when the net returns, after relevant taxes, fees and costs, are negative.

In making decisions on the asset strategy, the Trustee will have regard to the protection of members' account balances, the Trust Deed provisions, and will comply with all applicable requirements. The Fund's investments will be managed to ensure that there is sufficient liquidity to meet expected cash flow requirements.

The Fund's objectives are not a promise or guarantee of any particular benefit or return. It is used to measure the performance of the Fund.

Investment Strategy

In seeking to achieve these objectives, the Trustee will adopt a diversified asset allocation which will contain *defensive* assets to ensure stability and liquidity as well as *growth* assets which have the potential for higher returns over the longer period. *Defensive* assets include cash, bank bills and other securities which have a lower expected volatility of return but usually offer lower returns in the longer run. *Growth* assets such as Australian and International shares carry a higher level of investment risk over shorter periods with the possibility of higher returns over the longer term.

The Trustee will invest the assets of the Fund in a number of carefully selected specialist underlying fund managers and investment funds. The underlying fund managers and investment funds can change from time to time at the discretion of the Trustee. The international equity portfolio is fully hedged back to Australian Dollars but may be changed at a later time. The Trustee regularly reviews the performance of the fund managers.

The Trustee does not specifically take into account labour standards or environmental, social and ethical considerations in the selection, retention or redemption of investments associated with this Fund.

Asset Allocation

Since 17 November 2006 the following asset benchmark allocations and ranges have been adopted. Variations from these benchmarks or ranges may occur from time to time.

Asset Class	Benchmark %	Range %
Australian Equities	40%	30-40
International Equities*	40%	30-40
Total Growth Assets	80%	60-80
Enhanced Cash & Cash at Bank	20%	20-40
Total Defensive Assets	20%	20-40

*International Shares are fully hedged against currency risk

The following tables show the types of investment assets held by the Fund at 30 June 2006 and 30 June 2007.

Underlying Investment Fund	30 June 2007		30 June 2006		Type of Asset
	\$	%	\$	%	
NAB Corporate Cheque Account	1,668,092	14	741,102	7	Cash
Perennial Cash Enhanced Trust	1,798,400	15	1,699,705	17	Cash deposits, bank bills, & corporate securities
Perennial Value Australian Shares Trust	4,146,160	34	3,318,059	34	Australian Shares
Credit Suisse Fully Hedged International Shares	3,387,047	28	3,264,992	33	International Shares
Maple-Brown Abbott Asian Investment Trust	1,102,219	9	906,686	9	International Shares
Total	12,101,918	100	9,930,544	100	

There are no investments made in any associated enterprise. The Fund's policy is not to invest in any derivative (futures and options) products however underlying fund managers are permitted to utilise derivatives to hedge against currency risk.

Crediting Rate Policy (including Interim Rate)

Earnings are calculated on a daily basis, after taking into account deductions for relevant fees, costs and tax. At the end of each financial year, the Trustee will determine a crediting rate which will be allocated in arrears to members' account balances at 30 June.

This rate may not be the same as the Fund's investment return and will be determined by the Trustee having regard to the actual investment return on the Fund's assets after relevant taxes, fees and costs and any amount held in the reserves. Information about the fees and costs deducted prior to the determination of the crediting rate, see the Fund's PDS which is available on request by contacting the Administrator (see last page for details). Information about the fees and costs that affect your investment is also shown in your Annual Member Statement.

The effect of extreme fluctuations in returns will be cushioned by the use of reserves. However the Trustee does not guarantee the crediting rate will always be positive and the value of your benefit may rise or fall.

An interim crediting rate will be determined from time to time by the Trustee for the purpose of allocating earnings to members who leave the Fund during the year (that is, prior to 30 June). This interim rate will be determined on the same basis as the final crediting rate. The interim rate can be positive or negative.

Reserving Policy

In order to provide members with an exposure to growth assets and therefore a greater capacity for higher longer term returns on investments, the Trustee will from time to time retain a reserve. The level of reserves will not exceed 5% of the vested members' benefits. The level of reserves will be monitored regularly by the Trustee in the prudential management of the Fund and in accordance with the crediting rate policy outlined above.

The reserve consists of any surplus from administration fees deducted from members' accounts over operating costs together with any difference between investment earnings and the amount of earnings credited to members' accounts.

Level of Reserves

The levels of reserves at 30 June were as follows:

Year Ended	,\$000	% of Vested Members' Benefits
30 June 2007	81	0.62
30 June 2006	64	0.63
30 June 2005	321	4.27

Trust Deed changes

As a result of taxation and superannuation reforms (referred to as the 'better super' reforms) effective (mainly) from 1 July 2007, a number of changes have been made to the Fund's Trust Deed. These changes are to allow the Trustee of the Fund to:

- Meet new taxation obligations introduced by the better super reforms; and
- Give the trustee the ability to comply with the new member identification requirements as part of the anti money laundering / counter terrorism financing laws to be introduced later this year.

Information about the better super reforms is available from www.ato.gov.au.

Abridged Financial Reports

The financial information shown below has been extracted from the Fund's audited accounts for the year ended 30 June 2007. Members are entitled to the following documents on written application to the Trustee: Full Financial Statements, The Auditor's Report, Trust Deed provisions relating to the member, Australian Prudential Regulation Authority Annual Returns.

STATEMENT OF FINANCIAL POSITION

	30 June 2007	30 June 2006
ASSETS	\$	\$
Investments	10,433,826	9,189,442
Other Assets	2,954,166	1,302,378
Total Assets	13,387,992	10,491,820
Less LIABILITIES		
PAYG Payable	728	15
Sundry Creditors	192,203	268,625
Total Liabilities	192,931	268,640
Net Assets Available to Pay Benefits	13,195,061	10,223,180
Represented by:		
Liability for Accrued Benefits		
Vested benefits allocated to members	13,113,379	10,159,334
Not yet allocated	936	
Total Reserves	80,746	63,846
Net Assets Available to Pay Benefits	13,195,061	10,223,180

OPERATING STATEMENT

	30 June 2007	30 June 2006
REVENUE	\$	\$
Transfer from other Funds	2,394,633	2,490,176
Co-contributions	14,879	4,360
Investment Revenue	1,997,837	1,325,982
Other Revenue	100	1,075
Total Revenue	4,407,449	3,821,593
EXPENSES		
Investment	95	475
General Administration	1,150,806	1,088,472
Superannuation Contributions Surcharge	513	62
Total Expenses	1,151,414	1,089,009
Benefits Accrued as a result of Operations before Income Tax	3,256,035	2,732,584
Income Tax Expense	(43,361)	(53,605)
Benefits Accrued as a Result of Operations	3,299,396	2,786,189

Trustee of ISPF

The Trustee of ISPF is Trust Company Superannuation Services Limited ABN: 49 006 421 638. The Trustee is a specialist trustee company that provides trustee services to numerous superannuation funds and has been granted a Registered Superannuation Entity Licence (No. L0000635) under the Superannuation Industry (Supervision) Act 1993 (SIS). The Trustee also holds an Australian Financial Services (AFS) Licence – AFS Licence No: 235153.

Indemnity Insurance

The Trustee has taken out professional indemnity insurance in respect of major legal claims made against it. The Trustee is not insured for dishonest, wilful or reckless acts.

Insurance

There are no insurance benefits provided to members of ISPF. The amount payable on death or permanent incapacity of a member is the accumulated account balance.

Directors of Trustee Company

In the year ending 30 June 2007, the following Directors were on the Board:

- Y Jonathan Westaby Sweeney
- Y Luigi Mario Rodriguez
- Y Noel Davis
- Y Vicki Allen
- Y Nicholas Sette (resigned 29 November 2006)
- Y John Dinan (resigned 31 May 2007)
- Y Megan Bolton (appointed 26 July 2006, resigned 1 August 2007)

Contact Details

The contact details of relevant parties are as follows:

Trustee

Trust Company Superannuation Services Limited
Level 3, 530 Collins Street
MELBOURNE VIC 3000
Telephone: 03 9665 0200

Administrator

IFAA Pty Ltd
AFSL Number: 238507
Level 1, 424 Upper Roma Street
BRISBANE QLD 4000
Telephone: 07 3238 1296

Founder

ISPF Pty Ltd
Level 1, 424 Upper Roma Street, BRISBANE QLD 4000
Telephone: 07 3238 1200

The Founder's role is to advise and make recommendations to the Trustee regarding the management of ISPF. The Trustee has ultimate responsibility for the management of ISPF.

ISPF may be contacted at:

Telephone: 07 3238 1296
Facsimile: 07 3236 0721
Email: ispf@ifaa.com.au
Post: ISPF
PO Box 1047
MILTON QLD 4064