

DIRECTIONS

Aon Master Trust May 2010



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GOOD TIMING

Getting your contributions to us by **Friday 25 June** will help us process them in good time for financial year end.

SUPER TIPS

—JUST IN TIME FOR 30 JUNE

Are you wondering how to make the most of your super contributions and available tax breaks this financial year? These tips may help.

Top up in good time

Superannuation laws limit how much you can contribute to your super in a financial year. So if you want to top up your super to make the most of your limits this year, make sure you do it in good time. See our *Contributions* factsheet.

\$1,000 from the Government

Deposit up to \$1,000 into your Aon Master Trust account this financial year and the Government could pay up to \$1,000 directly into your super.

If you're eligible and earn less than \$61,920 this financial year, your super will get a Government co-contribution of up to \$1 for every extra \$1 that you contribute from your after-tax pay. The maximum co-contribution for 2009/10 is \$1,000 but will vary depending on your earnings (you'll find a calculator on our website to help work out your entitlement).

Other than making your after-tax contributions, all you need to do is fill out and lodge your tax return and you'll receive your Government co-contribution soon afterwards.

See our *Government co-contributions* factsheet.

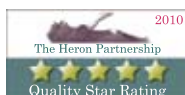
Up to \$540 tax back

If your spouse's assessable income is less than \$13,800, you may be able to claim a tax rebate on up to \$3,000 of after-tax contributions you make to their super each financial year. The maximum rebate is \$540 and it applies if your spouse's assessable income is \$10,800 or less. See our *Spouse contributions* factsheet.

Self-employed? Claim a tax deduction

If you're self-employed or earning less than 10% of your assessable income from an employer, you can claim a full tax deduction for before-tax contributions you make towards your super each financial year. See our *Tax on super* factsheet.

Contribution forms and factsheets are on our website or call us on **1300 880 588**



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LIFESTYLE IS USUALLY THE FIRST CASUALTY

A recent report¹ commissioned by the life insurance industry has highlighted that the lifestyle we create relies on our income and that it is usually the first casualty when the worst happens.

The research behind the report reveals some startling results, including:

- 1 in 5 families will be impacted by the death of a parent, a serious accident or illness that makes them unable to work
- the typical Australian family will lose half or more of their income as a result of the serious injury or loss of one parent
- 18 Australian families lose a working age parent every day
- 95% of families do not have adequate levels of insurance.

Using different 'event' scenarios over different periods of time, the research calculated the financial impact—on a family with young children—of having typical (ie inadequate) versus recommended levels of cover. Families with typical cover would face very significant changes to their way of life. Families with recommended levels of cover would, in most scenarios, be able to maintain their financial circumstances and lifestyle.

According to the report, when the worst happens, the financial hardship that results from loss of income over an extended period of time could have been avoided with adequate levels of insurance.

¹ Lifewise / NATSEM Underinsurance report
http://www.ifa.com.au/Lifewise/IF1424_LifewisePDF_FINAL.pdf



INSURANCE — HELPING YOU TO PROTECT YOUR WEALTH

The insurance tools on our website can help you to:

- 1. understand what's available**
 - > our insurance factsheet outlines the insurance options available in the Aon Master Trust
- 2. estimate how much you may need**
 - > there's a planner in the factsheet
- 3. check the cover you have now**
 - > log in to your account for a summary of your current cover and premiums
- 4. get a quote**
 - > our insurance quote calculator estimates the cost of different types and levels of cover in the Aon Master Trust
- 5. apply for extra cover**
 - > forms are on the website or you can contact us for a copy.

If you need some help with your insurance decisions, you might want to talk to your financial adviser. If you don't have an adviser, you can ask us to put you in touch with one in your area.

BEWARE. TAKE CARE.

Identity theft can happen quickly and easily, especially when personal information falls into the wrong hands.

The Aon Master Trust takes the security of your personal information very seriously. Mail that we send to you could include your personal information, so it's vital that we have your current and correct mailing address on record.

Confirm your mailing address

The quickest way to confirm that we have the correct address for you is online. Log in at aonmastertrust.com.au and go to Member details. If your address is incorrect, you can update it yourself. If you prefer, contact us with your correct address and ask us to check—if the address we have on record needs updating, we'll do it for you.



 aonmastertrust.com.au

 1300 880 588

 contactaon@pillar.com.au



BY THE WAY: THIS LITTLE PYGGY

During the Middle Ages, metal was expensive and seldom used for household wares. Instead, dishes and pots were made of a clay called pygg. Whenever people could save an extra coin, they dropped it into one of their clay jars. They called this their pygg jar.

Over the next two or three hundred years, people forgot that 'pygg' referred to the clay and potters started making money jars shaped like pigs—piggy banks.

INDEXED FEE INCREASE

The member fee will increase in line with Average Weekly Ordinary Time Earnings at 1 July 2010. This will mean your annual member fee will increase from \$66.50 to \$70.32. Details of all fees will be set out in the 1 July 2010 Product Disclosure Statements.

Non-standard member fees that have been negotiated with individual employers will not be increased until the expiry date of the fee guarantee. Members of these funds will be notified separately of any changes to fees.

PROCESSING FREEZE

Please note that transaction processing will be put on hold between Thursday 1 July 2010 and Tuesday 6 July 2010 (inclusive), allowing us to test, check and audit final unit prices.

This rigorous process is an essential step in determining members' super account balances for 30 June 2010 benefit statements. This hold applies to all transaction requests, including contributions, rollovers, investment switches, benefit quotations* and payments and online services.

Transaction requests received after Wednesday 30 June will be processed as quickly as possible, in order of date received, once processing resumes.

We process within time limits that conform to standards maintained by the trustee, using the price applicable on the date of processing.

Contributions and rollovers

As you'll appreciate, the end of financial year is a very busy time and so we encourage you to get your contributions and rollovers to us by Friday 25 June. This will help us ensure that your account is up to date for 30 June 2010 statement purposes.

Benefit payments and investment switches

To allow us to process any benefit payment and investment switch requests so that they appear on the 30 June 2010 benefit statements, we must receive such requests by 25 June 2010.

If you have any queries about these timelines, please call us on 1300 880 588.

* We will be able to provide an approximate benefit quotation as at 30 June 2010 only (please call us on 1300 880 588 or email us to request a quotation).

MARKET UPDATE

—quarter ended
31 March 2010

Uncertain prospects for the rest of 2010

It's a year since the market started to recover in March 2009 but there are still a number of uncertainties around the outlook for the rest of this year.

These uncertainties, which include the sustainability of the global recovery, the robustness of China's economic strength, and the ongoing concerns about the risk of national governments defaulting on loan payments, are all interlinked.

When governments begin to remove emergency economic stimuli, it could jeopardise economic recovery from the global recession. China's economic growth benefited Australia last year but a slowdown in that growth could mean reduced demand for Australian resources. While Greece's challenges in managing its sovereign debt (government borrowing) will not harm the global economy, it's a reminder that other nations—including the US and UK—have their own debt problems that could influence global capital markets for years to come.

Unclaimed money to the ATO

From 1 July 2010, we will be required to pay to the Australian Taxation Office (as unclaimed superannuation monies) any lost member's account that:

- is under \$200 or
- has not received any deposits within the last five years and that we are satisfied we will not be able to pay to the member.

MARKET UPDATE—quarter ended 31 March 2010

Australian shares

The Australian sharemarket rose 1.3% for the quarter but showed volatility along the way as traders reacted to concerns about the global economy and domestic news. Economic data released during the quarter was largely positive, with better than forecast employment growth and a fall in the unemployment rate to 5.3%. The last day of the quarter brought slightly weaker news, with dwelling unit approvals down by 3.3% and retail sales down by 1.4% in February.

Sector performance was mixed. Banks (6.6%), Pharmaceuticals (12.4%) and Media (4.3%) outperformed while the Telecommunications (-8.9%), Construction Materials (-8.7%), Gold (-6.6%) and Retailing (-5.1%) sectors lagged.

International shares

Greece's debt crisis led to a sell off in international shares in January. However, markets rose for the quarter as a whole returning 1.2% in AUD and 5.4% in AUD hedged terms (the AUD strengthened significantly against the euro and the British pound due to Greece's debt crisis and this meant the currency hedging helped the performance of international investments).

Improving economic conditions, encouraging corporate earnings, and signs that the EU and IMF would assist Greece through the crisis all helped to restore confidence. The best performing regions in local currency terms included Asia Pacific (5.9%), UK (5.8%) and US (5.3%), while Continental Europe (2.4%) was adversely affected by countries with crippling government debt, including Greece (-7.9%), Spain (-10.1%) and Portugal (-4.8%).

Property

After falling in January, global real estate investment trusts (REITs) rebounded and delivered a return of 5.1% in AUD hedged terms. There was wide divergence in regional local currency returns, including North America (9.6%), Continental Europe (5.6%), Asia (1.0%), the UK (-0.9%) and Australia (-1.6%). European REITs suffered early in the quarter due to concerns over Greece but subsequently recovered to outperform the broader market. Asian REITs were led by Japan (5.5%) which attracted investors searching for value. Both US (9.8%) and Canadian (8.1%) REITs finished well ahead of the broader benchmark.

Australian fixed interest

Australian bonds returned 1.3% during the quarter, the same return as Australian shares. Australian bonds performed well in January when share prices fell sharply, but posted a negative return in March when shares rebounded.

Investors were surprised when the RBA maintained the official cash rate in February but the rate was raised by 0.25% to 4.0% in March. The RBA cited expectations of economic growth in line with trend and of inflation close to target as factors supporting the decision.

International fixed interest

International bonds returned 2.7% in the quarter in AUD hedged terms. Higher yielding assets tended to outperform, including the credit sector and emerging markets. Government bond market returns were mixed.

Performance to 31 March 2010	3 mth %	1 yr %	3 yr % pa	5 yr % pa	10 yr % pa	Index used
Australian shares	1.3	41.9	-2.6	8.0	8.9	S&P/ASX 300
International shares (\$A hedged)	5.4	48.9	-5.5	3.7	0.4	MSCI World Net Dividends Reinvested Accumulation Index (\$A Hedged)
International shares (\$A unhedged)	1.2	15.3	-9.3	-0.6	-4.1	MSCI World Net Dividends Reinvested Accumulation Index
Australian listed property	-1.6	42.0	-23.3	-7.2	3.6	S&P/ASX 300 A-REIT
Australian fixed interest	1.3	2.7	6.5	6.0	6.3	UBSA Composite Bond All Maturities
International fixed interest	2.7	10.2	8.4	7.3	7.9	Barclays Capital Global Aggregate HDG AUD
Cash	1.0	3.5	5.7	5.8	5.6	UBSA 90 Day Bank Bill

Source: Russell Investments.
Note: Past performance should not be considered a guide to future performance.

YOUR PORTFOLIO

Investment returns for the **Aon Master Trust** are available at aonmastertrust.com.au or you can contact us for a copy.

CONTACT US

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