Norwich Eligible Rollover Fund

Annual Report 2007/2008

Disclaimer

The Trustee has made every attempt to ensure the accuracy of the information included in this Annual Report and the 2007/2008 Annual Statement. However, some of the underlying information can change quickly and members should be aware their data may also change. In addition, the Trustee has in some cases, relied on information provided by third parties and the Trustee does not accept responsibility as to the accuracy and completeness of this information provided from another source.

The Trustee excludes, to the maximum extent permitted by law, any liability which may arise as a result of the contents, including but not limited to any errors or omissions.

The Annual Report does not constitute a recommendation or financial advice. The Annual Report has not been prepared to take into account the particular investment objectives, financial situation and particular needs of any particular person. Before acting on any information contained in the Annual Report a member or prospective member needs to consider, with or without the assistance of a professional adviser whether the information is appropriate in light of their particular investment needs, objectives and financial circumstances.

Contents

You are a member of the Norwich Eligible Rollover Fund ("the NERF") ABN 32 649 704 922 RSE number R1004076.

The Trustee of the NERF and issuer of the interests in the NERF is NULIS Nominees (Australia) Limited ("the Trustee") ABN 80 008 515 633, Australian Financial Services Licence number ("AFSL number") 236465 RSE Licence number L0000741. The Administrator is Norwich Union Life Australia Limited ("NULAL" or the "Administrator") ABN 34 006 783 295 AFSL number 241686. The Trustee and the Administrator are part of the Aviva Australia group.

The Trustee and the Administrator are subsidiaries of Aviva Australia Holdings Limited ABN 38 095 045 784, the parent company of the Aviva Australia Group. The Aviva Australia Group is owned by the Aviva plc group. Aviva Australia Holdings Limited, Aviva plc, and Norwich Union Life Australia Limited are not issuers of the interests of the NERF. No member of the Aviva Group guarantees or underwrites the NERF. The Trustee reserves the right to amend the terms and conditions of the NERF in accordance with the requirements of the trust deed and the law.

Section one

Your Annual Report

Aviva – helping you to grow your investment portfolio

Aviva Australia is the local face of the global Aviva group (Aviva plc), the fifth largest insurer in the world. Aviva plc is one of the leading providers of life and pensions products to Europe and has substantial businesses around the world.

The main activities are long term savings, fund management and general insurance with more than A$757 billion of assets under management (as at 31 December 2007). The group has more than 57,000 employees and 45 million customers worldwide.

Aviva Australia provides investment, superannuation and life insurance products for more than 300,000 customers throughout Australia.

Your Annual Report for 2007/2008

This Annual Report is designed to provide all the information you need to know about your investment and performance for the period 1 July 2007 to 30 June 2008.

You should read this report in conjunction with your Annual Statement for information on your individual investment.

If you have any enquiries about your investment including current details of investment strategies, contribution options or insurance cover please call our Client Services Team on freecall 1800 814 899.

Section two

Investment information

Important investment information about your policy

The Norwich Eligible Rollover Fund is an Eligible Rollover Fund ("ERF"). An ERF generally receives superannuation benefits for "lost" members of other superannuation funds, where the trustee cannot contact them, or for members with balances under minimum amounts set for those funds, usually $1,000. (ERFs also receive Superannuation Guarantee Shortfall payments and amounts paid from Superannuation Holding Account ("SHA") Special Account.)

If you meet the eligibility criteria outlined on page 7 of this Annual Report then the NERF will also accept contributions. ERFs are governed by special provisions of the Superannuation Industry (Supervision) Act 1993 ("SIS") and are required to ensure that the account balance of a member is never less than the value of the original deposit (except for tax payments and insurance charges, if any). The Trustee operates the NERF to comply with these requirements at all times.

The provisions effectively mean that costs and fees usually cannot exceed investment earnings. Because of this, the Trustee of the NERF considers it is prudent to follow a low risk, low return investment strategy, and has arranged for the fund to be invested on, effectively, a capital guaranteed basis. The NERF is invested directly into a capital guaranteed life policy issued by Norwich Union Life Australia Limited ("NULAL").

The Trustee has continued to direct that the policy investment assets be held in the Norwich Union Capital Guaranteed Fund ("the Fund").

The assets supporting the policy are managed on behalf of NULAL by Portfolio Partners in accordance with the investment strategy set by the Trustee.

Interest rate

An interest rate for the NERF is declared at 30 June each year. This rate will be based on the performance of the underlying assets after taking into account the management fee, tax and any allowance for reserves. The Trustee of the NERF then applies that interest rate to the members' account balances for the preceding twelve months. At any time in the future the frequency of declaring the interest rate on this investment may change.

Interest rate process

The following explains the process for determining the interest rate for the NERF.

NULAL declares an interest rate for the policy:

- Firstly, the gross investment earnings are determined including investment income, realised and unrealised investment gains and losses received over the declaration period.
- Deductions are made from the gross investment earning rate for fund earnings tax (including deferred taxation on unrealised capital gains or losses, if applicable) and the management fee of 1.4% pa, to determine the net investment earning rate.

At the time of declaring a rate NULAL will have regard to the following issues:

- The net investment earning rate of the declaration period
- The size of the Interest Equalisation Reserve (see below) at the declaration date, and
- The likely future economic outlook and the likely investment earning rate

The Trustee declares the interest rate for the NERF, for member's accounts, after charging a further management fee (of up to 3.6% pa).

See page 14 for more details of fees and charges.

Interest Equalisation Reserve

NULAL maintains an Interest Equalisation Reserve for the policy investment assets. Investment earnings can be volatile. In order to produce smoother declared rates, an amount will be paid into the Interest Equalisation Reserve when the net investment earning rate exceeds the declared earning rate. Conversely, an amount will be taken out of the Interest Equalisation Reserve when the net investment earning rate is below the declared earning rate. The Interest Equalisation Reserve is maintained such that all net investment earnings of the Capital Guaranteed policyholders' assets are distributed, over time, to continuing Capital Guaranteed policyholders.

The Australian Prudential Regulation Authority ("APRA") has prescribed industry limits on the size of the Interest Equalisation Reserve. This will limit the amount of smoothing of declared rates when investment earning rates are volatile. The upper and lower limits of the Interest Equalisation Reserve are prescribed such that the aggregate Capital Guaranteed surrender value must not fall below 95% nor rise above 103% of the Capital Guaranteed policyholders' assets.

Interim interest

If a full withdrawal is made, interim interest is credited at the interim interest rate set by the Trustee for the period between the date of the last interest declaration and the date of withdrawal. Interim rates are not guaranteed and may be changed at any time without prior notice. The new interim rate will apply from the last declaration date.

Section three

Investment performance

Outlines the investment objective, asset allocation and investment performance of the NERF

The Trustee elected to invest in the Norwich Union Capital Guaranteed Fund, through the NULAL policy. The objectives and strategy of that fund match the objectives and strategy the Trustee has set for the NERF.

A capital guaranteed fund generally provides a lower risk investment and, therefore, tends to receive a lower but steady rate of return.

Lower returns mean that over time your benefit may grow at a slower rate than benefits invested in other investment options that offer higher returns for a higher risk. However, it also means the capital value of your investment is less likely to fluctuate.

You may wish to compare the rates of return achieved by other investment options with your capital guaranteed investment. You should bear in mind that a capital guaranteed investment offers protection for your capital investment while generally maintaining a steady rate of growth.

Trustee policy on use of derivative securities

In formulating the investment strategies for the NERF the Trustee has recognised the use of derivatives by authorised investments of the Fund for the efficient risk management of a portfolio, or reduction of investment risk.

The Trustee relies on the provision of Derivatives Risk Statements where appropriate, in respect of each authorised investment into which the NERF invests to determine whether investment in derivatives is made under appropriate controls having regard to investment objectives, investment restrictions and risk profile.

Ethical considerations

When selecting investments for the NERF, no considerations have been made in regards to labour standards, environmental, social or ethical considerations. The key consideration in relation to investing is identifying quality investments, having regard to the investment objective and investment strategy referred to below.

Declared interest rate

The declared interest rate for the period 1 July 2007 to 30 June 2008 is 1.10%.

Norwich Union Capital Guaranteed Fund

Investment Objective

To avoid a decrease in the value of the fund's assets in both the short and long term, to produce relatively low but steady income flows and to maintain a high level of liquidity.

Investment Strategy

To invest a high proportion of the Fund in fixed interest and other interest bearing securities with smaller amounts invested in property and shares.

Appropriate for

Members with a low account balance.

The Trustee approved the following trading ranges for the 2007/2008 financial year, and the following asset allocations were calculated at 30/06/08.

Asset Category	2007/2008
Cash	0%-50%
Fixed Interest	50%-90%
Property	0%-5%
Equities	0%-12.5%

	Declared Interest Rate %
1/7/2007 to 30/6/2008	1.10%
1/7/2006 to 30/6/2007	3.00%
1/7/2005 to 30/6/2006	3.20%
1/7/2004 to 30/6/2005	2.35%
1/7/2003 to 30/6/2004	1.50%
Compound average of actual return over 5 years to 30/6/08	2.33%

Asset Allocation	30/06/08	30/06/07
Cash	13.9%	14.1%
Fixed Interest	73.6%	72.6%
Property	3.1%	4.0%
Equities	9.4%	9.3%

Interim interest rate	
Interim rate for the year commencing 1 July 2008	0.50%

Section four

Contributions

The NERF accepts both regular and one off contributions. Eligibility criteria for the various age categories are set out below.

Eligibility to contribute

Under age 65

- Superannuation contributions can be accepted for members aged under 65. There are no restrictions.

Age 65 up to age 70

The following contributions can be accepted:

- Mandated employer contributions, these are made in satisfaction of the Superannuation Guarantee contributions and contributions made under an agreement certified, or an award made, by an industrial authority.
- Personal contributions, spouse contributions, salary sacrifice contributions and voluntary employer contributions where you have worked at least 40 hours in any 30 consecutive day period in a financial year. Once this condition is met, contributions can be made for the rest of the year.

Age 70 up to age 75

The following contributions can be accepted:

- Employer contributions made under an agreement certified, or an award made, by an industrial authority.
- Personal contributions, salary sacrifice contributions and voluntary employer contributions where you have worked at least 40 hours in any 30 consecutive day period in a financial year. Once this condition is met, contributions can be made for the rest of the year.

Spouse contributions cannot be made in this age category.

Age 75 and over

Once you have reached age 75, contributions can only be accepted where they are made by, or on behalf of, your employer and are required under an agreement certified or an award made by, an industrial authority.

You can contribute directly to the Fund at any time by sending us a personal cheque or you may be able to arrange for your employer to deduct your contributions from your after-tax salary and submit them on your behalf.

Important note:

These conditions are important. If you no longer satisfy them, the Trustee can no longer accept your contributions. So, if your circumstances do change, you should notify Client Services on 1800 814 899.

Contributions and Tax File Numbers (TFNs)

We are required to advise the Australian Tax Office (ATO) of all contributions paid by you or for you.

Your employer is required to give us your TFN if you have quoted it to them for employment purposes after 30 June 2007 if they make a superannuation contribution to us on your behalf.

If you have not provided your TFN (or an employer has not provided your TFN), personal contributions you make are required to be returned to you within 30 days of the Trustee becoming aware that it does not hold a valid TFN for you. Special regulations apply to determine the amount to be returned and the timing of such payments.

If you or an employer has not provided your TFN before the end of the financial year in which an employer contribution is made for you, the NERF is required to pay an additional 31.5% tax on any concessional contribution made for you by your employer, which will be charged to your account (as well as the standard 15% "contributions tax"). If your TFN is supplied in the next 3 financial years, the amount deducted from your account may be claimed back from the ATO, and will then be re-credited to your account. In some cases the amount re-credited will include interest if your employer failed to pass your TFN to the NERF that resulted in you being charged the additional tax. The rate of interest set by legislation is typically a conservative rate of return.

There may be a significant delay before the Trustee recovers the additional tax from the ATO due to the timing of when the Trustee can notify the ATO that it has received your TFN. After the end of the NERF's income year, the Trustee must wait until the end of the following income year to inform the ATO that it has received a valid TFN. If you have left the NERF in the mean time, we will not claim a tax refund for you. These rules have been imposed by the Government and the Trustee is unable to speed up the process. In addition, any interest you receive due to the failure of your employer to pass on your TFN to the Trustee in most cases will not match the earning rates of the investments in the NERF.

If you or your employer does not supply your TFN in one of the next 3 financial years after the contribution is received, the NERF will not be able to claim the additional tax back.

Limits on contributions

From 1 July 2007 the Government has imposed caps on the amount of contributions you can make to superannuation in a financial year without incurring additional tax. The applicable limit depends on the type of contribution.

Concessional contributions

Concessional contributions generally include any contribution made by or on behalf of you that is included in the assessable income of the NERF and is taxed at 15%. This includes all:

- contributions made on your behalf by your employer (including salary sacrifice contributions)
- personal contributions for which a deduction is claimed (you may be able to do this if you leave your employer)
- contributions made for you by a third party, other than your spouse
- any amount of a transfer from an overseas fund that you elect to be taxed in the NERF (does not count towards the concessional contributions cap)

Concessional contributions are capped at $50,000 per financial year. This limit will be indexed to AWOTE (Average Weekly Ordinary Time Earnings) each year. However the indexed amount will be rounded down to the nearest multiple of $5,000.

Transitional provisions apply allowing anyone currently aged 50 and over to be eligible for a $100,000 transitional cap until the financial year commencing 1 July 2012. If you turn 50 before 1 July 2012 you will be able to use this transitional cap from the financial year you turn 50. The transitional cap is not indexed.

If the total of concessional contributions in a financial year made by you or for you, to all your superannuation products, is in excess of the cap for these contributions, the excess concessional contributions are exposed to additional tax at 31.5%. You will receive an assessment specifically for this tax from the ATO, together with details of your options for paying it (see below under "Release Authorities" for further details).

Non-concessional contributions

Non-concessional contributions generally include any contribution made by you or on your behalf that is not included in the assessable income of the NERF. This includes:

- personal contributions for which a deduction is not claimed
- spouse contributions
- superannuation co-contributions (not counted towards the non-concessional contribution cap)
- any amount of a transfer from an overseas fund that you do not elect to be taxed in the NERF (does count towards the non-concessional contributions cap)

Non-concessional contributions are capped at three times the current concessional contributions cap, that is, $150,000 for the 2007/08 financial year. Excess concessional contributions are included in the non-concessional contribution cap.

If the total of non-concessional contributions in a financial year made by you, for all your superannuation products, is in excess of the cap for these contributions, the excess non-concessional contributions are exposed to tax at 46.5%. You will receive an assessment specifically for this tax from the ATO, together with details of how you must pay it (see below under "Release Authorities" for further details).

If you are under age 65 at the start of a financial year, you can bring forward two years of non-concessional contributions cap so that the maximum non-concessional contributions you can make to all your superannuation in that financial year without incurring the tax described above is three times the current cap applying in that year – that is $450,000 for the 2007/08 financial year. Once you contribute more than the cap in a financial year, that sets your cap limit for 3 years. Example – if you contribute $160,000 in 2007-08, you have a total of ($450,000 - $160,000 =) $290,000 left that you can contribute over 2008-09 and 2009-10 without the contributions incurring tax as described above.

People age 65 or over at the start of a financial year will not be able to bring forward contributions and will be limited to the current year's non-concessional contributions cap.

The NERF cannot accept single non-concessional contribution payments in excess of three times the current non-concessional cap (or the cap for members 65 or over at the start of the financial year). Any amount of a contribution made in excess of this limit will be returned to you.

Release Authorities

If the contributions caps are exceeded, the ATO will assess you personally for the tax owed (i.e. 31.5% for any excess concessional contributions and 46.5% for any excess non-concessional contributions). The ATO will issue you with a Release Authority allowing you to make a special withdrawal from the NERF to pay this tax. In the case of excess concessional contributions you have a choice – you can present the Release Authority to the NERF or you can pay the tax from your non-super money. However in the case of excess non-concessional contributions, you must present this Release Authority to the NERF within 21 days in order to make a special withdrawal to pay this tax or to have the Trustee pay the tax from your super account on your behalf.

Superannuation co-contributions

If you earn less than $60,342* a year and make personal contributions to your super from your after-tax pay, the Government will help boost your account with a co-contribution of up to $1,500 per year.

If you are self-employed you may now also be eligible for the co-contribution if you make personal contributions for which you do not claim a deduction.

For every dollar of eligible personal contributions you make to your super account, the Government will match it with $1.50, up to $1,500 per year if you earn $30,342* per year or less. The maximum co-contribution reduces by five cents per dollar of income over $30,342* and phases out altogether when your income reaches $60,342*.

Please note that if we do not have your TFN then we are obliged to return any non-concessional contributions to you and the superannuation co-contribution will not apply.

*These thresholds apply to the 2008/2009 financial year.

Contribution splitting

Members of some superannuation funds are able to transfer amounts of certain superannuation contributions made for them to their spouse's superannuation by contribution splitting. The Trustee will accept a contribution split from your spouse into this account, but you are not able to make a contribution split from this account to your spouse.

Choice of superannuation fund for employer contributions

Since 1 July 2005 many employees are able to choose what superannuation fund their employer "superannuation guarantee" contributions are made to. Eligible employees are able to make a choice once a year.

Employers must offer choice of fund to all new eligible employees within 28 days of commencement of employment.

Section five

Payment of benefits

Death Benefits

Benefits will become payable in the event of your death. The death benefit payable will be equal to your account balance less tax (if applicable).

The Trustee may pay a death benefit to a spouse (including a de facto spouse), child, a person with whom you have an "interdependency relationship" (detailed below), financial dependant (which can include a former spouse) and/or a legal personal representative (that is, the person responsible for administering the estate).

Two persons have an interdependency relationship if:

a. they have a close personal relationship; and
b. they live together; and
c. one or each of them provides the other with financial support; and
d. one or each of them provides the other with domestic support and personal care.

(If they have a close personal relationship but either or both of them suffer from a physical, intellectual or psychiatric disability such that the disability is the reason that they cannot satisfy the other requirements above, they still have an interdependency relationship).

If you wish to nominate a person with whom you have an interdependency relationship as a beneficiary please contact your financial adviser or Client Service Team on free call 1800 814 899. The payment of superannuation benefits is subject to superannuation law and the terms of the Trust Deed.

You have two choices when it comes to nominating beneficiaries to receive death benefits:

1. **Binding Nomination, or**
2. **Non-Binding Nomination (Trustee Discretion)**

Binding Nominations

A binding death nomination means that the Trustee will be bound to pay your death benefit to the person(s) you have nominated (provided they are still eligible) and in the proportion(s) indicated. If a valid binding nomination is provided, the Trustee has no role in deciding who will receive your benefit in the event of your death, subject to Family Law provisions.

If you nominate your legal personal representative, your benefit will be paid to your legal personal representative and distributed as part of your estate, according to your will. Only eligible beneficiaries (as detailed above) and/or your legal personal representative can be nominated.

To be valid, a binding nomination must satisfy certain conditions, including being witnessed by two independent adults who are not nominated to receive a benefit.

Under superannuation law, binding death nominations must be renewed every three years or they will lapse. You will be notified in your Member Statement of any binding nomination details. This will give you the choice to renew, revoke or amend your nomination if necessary. Please note that Family Law in relation to splitting of superannuation benefits between spouses on separation may override the terms of a binding death benefit nomination.

If you do not provide a valid binding nomination, the Trustee will pay your death benefits to your dependant(s) or to your legal personal representative, based on its sole discretion, although the Trustee will take into account any non-binding nominations you have made.

Please call the Client Service Team on 1800 814 899 for a binding nomination form.

Non-binding nominations (Trustee Discretion)

The Trustee will not be bound by non-binding nominations, but may take these nominations into consideration when exercising its discretion, as well as other factors. For example, your circumstances may have changed since you made your nomination, perhaps due to marriage or the arrival of children.

Please call the Client Service Team on 1800 814 899 for a non-binding nomination form.

Benefits paid on permanent incapacity

The Trustee may also pay out benefits to you upon permanent incapacity where the Trustee is reasonably satisfied that you are unlikely, because of ill-health (whether physical or mental), ever again to engage in gainful employment for which you are reasonably qualified (by education, training or experience). In order for the Trustee to form an opinion, the Trustee may request the opinion of one or more medical practitioners.

Upon the Trustee being satisfied that you are permanently incapacitated, you may request the Trustee to pay out part or all of your account balance less tax (if applicable).

Terminal Illness

On 11 September 2007, the former Government announced proposed changes to legislation to allow terminally ill people to access their superannuation tax free.

A new condition of release, Terminal Medical Condition, commenced on 16 February 2008. To meet this condition of release, members must satisfy the following;

- two registered medical practitioners have certified that the person suffers from an illness or has incurred an injury that is likely to result in death within a period (the certification period) no greater than 12 months;
- at least one of the registered medical practitioners must be a specialist practising in the area related to the illness or injury suffered by the person; and
- for each of these certifications, the certification period has not ended.

Once these conditions are met, the member's entire superannuation benefit becomes *unrestricted non-preserved* and can be withdrawn tax-free at any time. This also applies to any contributions received for the member during the certification period.

These doctors' certificates are also the requirement for no PAYG withholding amount to be deducted from benefit payments to members under age 60.

If a member has not satisfied these requirements at the time of payment, normal superannuation lump sum tax will apply. However, if the member subsequently satisfies the definition within 90 days of the payment, the fund will pay the amount withheld for tax to the member.

These changes have now been backdated to 1 July 2007 and under transitional arrangements, members had until 30 June 2008 to meet the requirements in order to have PAYG withheld from benefits already paid refunded.

If you would like further information please call our Client Services team, or alternatively go to the ATO's website **www.ato.gov.au**

Continuation of insurance

If you are a member of the Norwich Compulsory Superannuation Plan ("NCSP") and you leave the NERF before retirement, you do not have to lose the benefit of the insurance cover that you had with the insurer. Insurance cover will normally cease 30 days after ceasing employment with your employer.

You may continue insurance cover with the insurer by taking out an individual policy which will be subject to the standard premium rates and terms applicable at the time.

This continuing insurance cover is offered to all members of the NCSP provided that you contact the insurer within 30 days of ceasing employment with your employer to make the necessary arrangements. It will be necessary that you have:

- not attained the age of 60 years
- not left employment for duty with the armed forces
- not received, or become entitled to receive a total and permanent disability benefit from the fund, and
- provided the insurer with a satisfactory declaration concerning AIDS and an AIDS antibody (HIV) test at the member's own expense.

The insurer will, subject to certain conditions, establish your individual policy without the need for you to supply any further medical evidence.

Section six

Fees and charges

The fees and charges that apply to the NERF are fully described in this chapter.

Management fee

The Trustee sets a maximum level for the management fee from time to time, and may increase or decrease the management fee at its discretion and will provide prior notice to members if it intends to do so.

The management fee is used to pay the costs associated with the administration of the NERF, including accounting, auditing and legal fees, and APRA and similar fees.

The management fee is deducted from the investment earnings of the NERF before the interest rate is declared. In any year, the actual fee that applies cannot be determined until the earning rate of the policy investment assets is known because the Trustee has made a commitment, and obtained a commitment from NULAL, that the overall fees charged by NULAL under the policy and the Trustee under the NERF will not exceed investment earnings of the policy investment assets.

The Trustee has currently set the overall maximum fee as 5.0% p.a. The maximum amount that you will be charged is 5% p.a. only if the policy earning rate is 5% p.a. or greater. However, if the earning rate is less than 5% p.a, then you will only be charged an amount equal to the earning rate.

For the year ended 30 June 2008, the maximum overall management fee charged was 5.0%.

From 1 July 2008 the Trustee has introduced a new tiered fee structure which will provide a discount to members with larger balances:

Account balance	Management Fee
$0 to $9,999	Up to 5%
$10,000 to $49,999	Up to 3.5%
$50,000 plus	Up to 2.5%

Further information

The amounts deducted as indicated on the previous page before interest rates are declared, for the management fee, are deducted on an indirect ‘common fund’ basis and affect your investment returns. Further information about these deductions can be obtained by contacting our Client Service team.

Insurance charges (NCSP Members)

Insurance charges are deducted monthly from your account. The actual insurance rates are available on request and are based on a fixed premium rate table. Cover is recalculated on 1 July each year. The premium rates charged may change from time to time. Notice of any changes will be provided with your next annual statement.

The insurance will remain in force if:

- your account balance is sufficient to meet the cost of the cover and
- the fund continues to receive at least one contribution by or for you in each financial year

In the event that your insurance cover cannot be maintained, you will be notified so that you can take steps to have your cover reinstated, if you wish. Your insurance cover will be reinstated, subject to the insurer's approval, when a contribution is received on your behalf.

Reserve account

The Trustee maintains a reserve account and expense accounts. In a year where the management fee charged exceeds actual costs, the difference will be credited to the reserve account.

In a year that actual costs exceed the management fee charged, the balance may be paid from the reserve account. The Trustee has an undertaking from NULAL that NULAL will cover any costs in a year which are in excess of the management fee for that year and the amount available from the reserve account.

Each year the Trustee will review the level of the reserve account and expense accounts. Where in the Trustee's opinion the balances are more than is required, the Trustee may credit amounts from those accounts to members' accounts on an equitable basis.

Reduced input tax credits

Under GST legislation, the NERF is eligible to claim reduced input tax credits ("RITC") with respect to the provision of investment management services. Any RITCs received will flow to the members of the NERF through declared interest rates.

Tax deduction for fees

Any tax deductions for the fees and costs of the NERF are taken into account by NULAL and the Trustee when setting the levels of management fees and declaring policy earning rates and NERF interest rates.

Section seven

Taxation

Taxation limits and thresholds for your superannuation

Your disclosure documents set out the tax treatment of your superannuation contributions and benefits. Some of these thresholds referred to in these documents are indexed annually. Table below are the thresholds for the 2007/2008 and 2008/2009 years.

Tax deductions for contributions (2007/2008 financial year)

From 1 July 2007 new legislation changes altered the deduction limits that can be made for superannuation contributions.

Employers are able to claim full deductions for all contributions made for an employee from 1 July 2007, until that employee reaches age 75.

Members who are able to claim personal contributions are able to claim full deductions for their contributions.

After the end of the financial year the Administrator sends a form (called an s290-170) to members who have only made personal contributions to the NERF during the year. On that form they can indicate if they intend to claim a tax deduction for their personal contributions. The Trustee will then acknowledge the receipt of this notice in writing, in order for the member to be able to claim a tax deduction.

Important Superannuation Values	2007/2008	2008/2009
Concessional contributions cap		
Up to 49 years	$50,000	$50,000
Age 50 years or more	$100,000	$100,000
Non-concessional contributions cap	$150,000	$150,000
Tax free portion after preservation age of taxable component		
Upper Limit	$140,000	$145,000
Superannuation Guarantee		
Minimum contribution percentage	9%	9%
Maximum contribution base (quarterly limit)	$36,470	$38,180

Tax on contributions

Employer contributions, taxable rollovers and deductible personal contributions made to superannuation funds are taxed at 15%.

Please note that you may be personally liable for excess contributions tax if your contribution caps are exceeded. (See page 8)

Reasonable Benefit Limits

Reasonable Benefit Limits were abolished from 1 July 2007 as part of the Better Super changes.

Superannuation Surcharge

The surcharge ceased to apply to contributions from 1 July 2005. Surcharge assessments will continue to be received for some time by superannuation funds in respect to contributions made in previous years. For further information please consult your professional adviser.

This tax information is based on the laws that were current on 1 July 2008 and is general information only. Individual circumstances may be quite different. Accordingly you should consult your financial and/or taxation adviser in respect to your specific circumstances.

Section eight

General information

The Trustee

The Trustee of the Norwich Eligible Rollover Fund (the 'NERF') is NULIS Nominees (Australia) Limited ABN 80 008 515 633 AFSL number 236465, RSE Licence L0000741, an RSE licencee under the Superannuation Industry (Supervision) Act 1993 ("SIS"). The Fund (RSE number R1004076) is a registrable entity registered with APRA, with an appropriate risk management plan in place.

During the year 2007 – 2008, the directors of the Trustee were:

Mr Charles (Sandy) Clark (Chairman)
Ms Elizabeth Flynn
Mr David Trenerry
Mr Sean Potter
Mr Bruce Hawkins, and
Ms Diana Taylor (from 29/05/2008)

Ms Diana Taylor was the Company Secretary until 29/05/2008.

Ms Anne Wright commenced as the Company Secretary from 29/05/2008.

As at the date of this report there have been no penalties imposed on the Trustee for any breach of the provisions of the Superannuation Industry (Supervision) Act 1993 ("SIS") during the year 2007/2008.

One of the RSE licence conditions imposed on the Trustee is a requirement to have at least $5 million in net tangible assets, or to have secured a bank guarantee for that amount. The Trustee has secured such a guarantee from the Westpac Banking Corporation. This guarantee is held at the registered office of the Trustee, Level 6, 509 St Kilda Road Melbourne 3004.

The Trustee and its Directors are entitled to be reimbursed from the Fund for any costs and expenses incurred in the management and administration of the Fund. They are also entitled to be indemnified from the Fund for all liabilities arising from the management and administration of the Fund except where the Directors have acted fraudulently, dishonestly, through wilful misconduct or have incurred a penalty for a breach under SIS. To help cover these potential liabilities and protect the assets of the Fund, indemnity insurance in excess of $20 million covers the Directors of the Trustee and its associated companies.

Trust Deed and Trust Deed amendments

Members' rights are governed by the provisions contained in the Trust Deed dated 20 December 1995 (as amended).

There were no amendments to the Trust Deed in the year 2007/2008. Amendments to the Trust Deed can only be made by the Trustee and must be made in accordance with the requirements of superannuation law.

If you would like to view the Norwich Eligible Rollover Fund Trust Deed, please contact our Client Services Team on free call 1800 814 899 quoting your member number.

Information available on request

If you would like further information about the NERF or your investment (including details of benefits or fees and charges) or you wish to inspect the NERF's documents (eg. the Trust Deed, audited accounts, auditor's report, Annual Report) please contact our Client Services Team on freecall 1800 814 899.

The Insurer

Insurance cover is provided by NULAL through a group insurance policy issued to the Trustee.

Making enquiries or complaints

We have set up formal internal procedures for dealing with complaints within 90 days. We may be able to solve the problem over the phone, but if not, we will ask you to put it in writing. Our Client Service phone number is freecall 1800 814 899. Our postal address is:

NERF Administrator
Norwich Union Life Australia Limited
GPO Box 2567W
MELBOURNE VIC 3001

Superannuation Complaints Tribunal

If you are not satisfied with the handling of a complaint or its resolution or the Trustee or its delegate has not dealt with your complaint within 90 days, then the Superannuation Complaints Tribunal ("the Tribunal") may be able to deal with your complaint. The Tribunal is an independent dispute resolution body set up by the Government to assist members to resolve certain types of superannuation complaints that have not been resolved by the Trustee.

The Tribunal may be able to assist you to resolve a complaint, but only after you have made use of the Trustee's own enquiries and complaints procedures. Once the Tribunal accepts a complaint it tries to conciliate the dispute by helping an investor and the superannuation Trustee reach agreement. Where this is unsuccessful the Tribunal will formally review the matter and make a binding decision.

It is located in Melbourne and its postal address is:

Locked Bag 3060
GPO Melbourne Victoria 3001
Telephone: 1300 780 808
Fax: 03 8635 5588
Website: www.sct.gov.au

Keeping in touch

It is very important that you advise us if you change your personal details. While address details may be changed over the phone, other details such as beneficiary nominations must be changed in writing. To ensure prompt service, please quote your NERF membership number whenever you contact our Client Service Team.

What happens if we lose contact with you?

Each year the Trustee notifies the Australian Taxation Office (ATO) of the details of those members with whom it has lost contact with so they can be included in the Lost Member's Register. If your benefit remains unclaimed by the date you reach age 65, and the Trustee is unable to find you to pay you your benefit, the Trustee of the NERF will transfer the benefit to the ATO.

Financial information

The Trustee invests wholly in a life policy issued by NULAL. For regulatory purposes, the benefits paid to each member are wholly determined by reference to life insurance products. Regulatory requirements to provide:

- fund accounts or abridged financial information and statements of assets, and
- details of investments in excess of 5% of total assets,

do not apply to superannuation funds so structured, and accordingly the Trustee has not provided this information.

(Life insurance companies are subject to the provisions of the Life Insurance Act 1995, the Insurance Contracts Act 1984 and other specific prudential requirements, in addition to general corporations and superannuation regulations).

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Aviva
Guiding Star

The Aviva Guiding Star program provides a way to actively support Australian charities through financial contributions and staff involvement to achieve lasting change and improvement in the community.

Through the Aviva Guiding Star community support program, we launched Camp Quality as our first flagship charity in May 2008. It was decided to target and focus our efforts, so that Aviva's corporate support – combined with staff contributions – can make a bigger and lasting difference for our community partner.

Camp Quality is committed to bringing hope and happiness to every child living with cancer, their families and communities through ongoing quality recreational, educational, hospital and financial support programs. These programs focus on the power of fun and optimism to help children and their families overcome the challenges that cancer brings.

" Being a socially responsible company is gaining increasing momentum in the Australian corporate landscape, with employees demanding more from a company than just a pay cheque, and business partners expecting commitment to this area. But most importantly, being a good corporate citizen is simply the right thing to do."

Allan Griffiths
Aviva Australia Chief Executive Officer

Trustee: NULIS Nominees (Australia) Limited ABN 80 008 515 633 AFSL number 236465

Administrator: Norwich Union Life Australia Limited ABN 34 006 783 295 AFSL number 241686

GPO Box 2567W Melbourne Victoria 3001

Freecall 1800 814 899 Fax 03 9829 8309

avivagroup.com.au

Aviva Guiding Star

AVIVA

Proudly supporting
Camp Quality

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