



Trustee Report 2006



Message from the Chairman 2005 - 2006

I am delighted to once again be able to report to you on a most successful year for your chosen super fund, RecruitmentSuper.

Building on our solid foundations and achievements from last year, RecruitmentSuper has been able to meet, and exceed, all our performance goals and targets, producing a healthy and positive result.



We have delivered top quartile investment returns, double digit member growth, compounding asset accumulation, improved member services and the first step in an acquisition program that will see your Fund positioned as a career-spanning superannuation provider.

Highlights of this year included:-

RecruitmentSuper continued our record of sustained growth, with our assets growing by 23% to exceed \$630 million, our reserves increasing by 125%, our membership growing by 13% and contributing employers growing by 49%.

We met the challenge of tighter and stricter regulatory controls and compliance requirements, and were proud to be granted a Registrable Superannuation Entity (RSE).

This licence makes us one of only 307 RSE Licenced Trustees able to manage superannuation funds (down from 1,200 Trustees previously) and positions us well for our future growth strategies and plans.

We acquired Accountants Super Fund and have moved to integrate their 20,917 members and \$300 million of assets into a combined fund which will serve the superannuation needs of over 335,000 members with assets of over \$1 Billion dollars.

This significant increase in members and fund assets will provide valuable economies of scale and savings. This will further strengthen our national resources and service team, allowing us to provide even better member and employer services, education and support, and wider investment options.

We also entered a 5 year sponsorship with the Recruiting and Consulting Services Association (RSCA), focusing on supporting the important areas of research and education for the employment services industry. We see this as a key

partnership that recognises the pivotal relation between the peak industry body and the industry's super fund.

The introduction of Choice of Fund has been highly positive for RecruitmentSuper. The initiatives we introduced, together with the growing recognition of the benefits of industry fund membership, resulted in over 79,000 members taking up our EasyChoice option.

Clearly, as members, you have recognised the advantages of choosing, *and staying with*, a fund that operates only for your benefit, doesn't pay commissions and keeps fees and charges low so all profits are returned to you.

This is supported by the number of members who have "rolled in" their benefits to RecruitmentSuper and consolidated their super pool to minimise administration costs and maximise their super asset growth and retirement benefits.

We have welcomed the changes announced by the Government to simplify your superannuation in the years ahead, particularly the removal of limits on retirement benefits and the promotion of Government Co-contributions.

Remember, your superannuation is the beginning - the first important step that will ensure and manage the foundation of your long term security and well-being.

Our goal is to provide the platform for your secure future.

Ross Fisher, **Chairman**

Contents

| | |
|---|----|
| A message from your Chairman | 2 |
| Your Investment | 4 |
| Budget Update | 6 |
| What's happening | 8 |
| Trustee Elections | 12 |
| Fund management. | 16 |
| Your annual statement. | 18 |
| Investment portfolios. | 20 |
| Investment managers | 30 |
| Other Investment info | 31 |
| Abridged financial statements | 32 |
| RCSA Developments | 33 |
| Other info | 34 |
| Contact us | 36 |

Your Investment

RecruitmentSuper has a strong investment performance!

We're delighted to report that RecruitmentSuper has delivered strong investment returns for the 2005/06 financial year, despite a tough final quarter for investment markets.

The earnings allocated to your RecruitmentSuper account are based on the investment portfolios in which your balance is held. The investment portfolios available to you depend on the RecruitmentSuper category in which you are a member.

Returns for RecruitmentSuper are calculated after taxes, investment management fees and other investment costs were deducted.

Members in SelectSuper and SelectPlus also have investment choice and can choose from five investment portfolios.

Our Balanced Growth Portfolio, which is the default portfolio for our Select members, showed returns of 15.0% for the year ending 30 June 2006. And the Trustee Portfolio for EasyChoice and Easy Super members showed returns of 14.5% for the year.

Please see pages 20 to 28 for other information for each investment portfolio.

The returns for the SelectSuper and SelectPlus investment portfolios at 30 June 2006 are detailed in the table below.

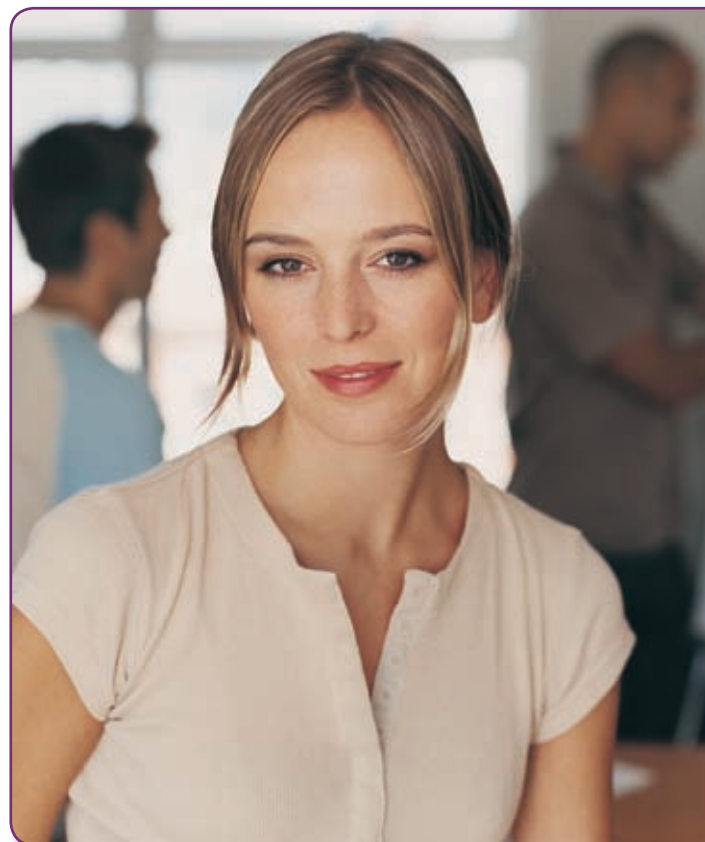
| Select Investment Portfolio | 1 year to 2006 % | 5 years to 2006 % |
|-----------------------------|------------------|-------------------|
| Cash Plus | 5.1 | 4.4 |
| Conservative Growth | 7.2 | 5.1 |
| Balanced Growth | 15.0 | 6.4 |
| High Growth | 16.0 | 6.0 |
| Aggressive Growth | 18.0 | 6.3 |

Of course, these figures relate to what has happened up to 30 June 2006 and may not indicate future performance of any portfolio or category.

If you were in the EasySuper, EasyChoice, EasyPlus or PreservedSuper category of RecruitmentSuper at 30 June 2006, your account was automatically invested in a balanced growth portfolio, called the Trustee Portfolio which had the following crediting rates:

| Trustee Portfolio crediting rates % for year ended 30 June | | | | | |
|---|------|------|------|------|------|
| | 2006 | 2005 | 2004 | 2003 | 2002 |
| Over \$3,000 | 14.5 | 10.2 | 11.5 | 1.6 | -3.9 |
| \$3,000 or less | 14.5 | 8.2 | 9.0 | 0.0 | -5.9 |

For amounts over \$3,000, the compound average net earnings for the Trustee Portfolio over five years is 4.9%.



Budget Update

The Federal Government has announced various changes to superannuation, including taxation rates on on Eligible Termination Payments (ETPs) and remaining reasonable benefits limits (RBLs).

At this stage, these changes are proposals only and have not become law. The following summarises our understanding of these proposals.

We'll let you know when the legislation is finalised.

What about undeducted contributions?

Undeducted contributions will be restricted to \$150,000 p.a. However, the government has advised that members under age 65 may average this amount over three years to allow larger one-off payments.

Who can contribute?

People will be able to make contributions to their super up to their 75th birthday, provided they meet work criteria. This is good news for older people who want to keep working and adding to their super.

Tax File Numbers (TFNs)

Where a TFN is not provided to a superannuation trustee by a member, only the taxable element of a benefit payment would be subject to withholding tax at the top marginal rate, as the exempt component is tax free.

Can members split super with their spouses?

The new rules still allow spouse contribution splitting, but there will be fewer financial benefits to the practice.

Who can claim a tax deduction?

Employees generally can't claim a tax deduction for super contributions.

Of course, salary sacrifice may be another tax effective super option.

Will RBLs still apply?

RBLs, or reasonable benefit limits, won't apply to anyone after 1 July 2007 which will make super much simpler.

Did the death benefits rules change?

Financial dependants will receive the death benefits tax-free; non-financial dependants can only receive death benefits as a lump sum which will be subject to tax.

If death benefits are paid as pensions instead of as a lump sum, the age of the person receiving the pension will have tax implications.

Is super still taxed?

Deductible contributions will still have a 15% tax applied. Super funds will also still pay 15% income tax on earnings (we deduct this before earnings reach your RecruitmentSuper account) and 10% Capital Gains Tax.

ETP Components

The proposed arrangements would simplify lump sum payments for individuals aged under 60, with the payment being divided into only two components - an exempt component and a taxable component.

When does super stop?

There is now no compulsory exit age for super, so it's up to you! Even better, super withdrawals for the over 60s will now be tax free! Members will be able to choose how much super to take out when, and not have to include it in their tax return (if over 60).

Portability

The maximum 90 days for funds to process a fund transfer request will reduce to 30 days. As we already complete transfers in less than 30 days as standard, this doesn't affect RecruitmentSuper members.

All funds would also be required to use a standard form (including standardised proof of identity checks) for individuals to complete if they wish to directly arrange a transfer request.

Deductible Contributions - Employers

Employers will be able to claim a full deduction on super contributions, including Superannuation Guarantee and salary sacrifice, for any employee aged less than 75.

A contributions tax of 15% will apply to all employer contributions (regardless of the number of employers contributing).

Individuals will be taxed an additional 31.5% on any contributions above \$50,000. The individual may request a payment from their fund to pay this amount.

The minimum 9% SG contribution still applies until age 70.

What about temporary residents?

People on an eligible temporary resident visa leaving Australia and withdrawing their super benefit before meeting a condition of release will be taxed at 30% on the taxable component.

What's been happening?

Our RSE registration

We are proud to announce that we are the first superannuation fund specialising in the employment services sector whose trustee obtained a public offer Registrable Superannuation Entities (RSE) licence. RecruitmentSuper's RSE registration is a symbol of our integrity, strong management and administrative competence.

Due to new regulations, only RSE licensed trustees are able to manage large superannuation funds from July 2006. Further details about our new licence can be found on our website.

New Member Benefits

We are developing an extensive program to give you even more benefits as a RecruitmentSuper member. You can find out more about this program on the Member Benefits Page within Member Online Services.

Superannuation and health are important issues that can have a big impact on your future. A corporate health plan offering health insurance and access to a Member Care Network is just one part of the RecruitmentSuper Member Benefit Program.

EasyChoice 12 months old!

In July 2005 we launched the EasyChoice category to provide members with easy-to-understand super with great insurance options. If you are an EasySuper member and would like to move into EasyChoice, simply fill in the EasyChoice Transfer Form available on our website.

Simplified Fees

You asked for a simpler fee structure, and we listened.

Since 1 October 2005, most RecruitmentSuper members pay a single low administration fee of just \$1.10 per week. There are no longer any contribution fees, switching fees or trustee fees applied to your account.

The benefit payment fee if you leave RecruitmentSuper (or cash some of your super) is just a low \$35 for all members.

Insurance Premiums Constant

With so many prices increasing, it's a relief to report that we haven't increased our insurance premiums since January 2005. And we don't anticipate having to do so for some time to come.

RecruitmentSuper's new look website!

Full of colour and new design features, our new website helps you find relevant information about super and RecruitmentSuper.

Some site improvements include:

- Icon menu for popular pages
- Fund initiatives highlighted on all pages
- New search facility
- Grouping all forms and brochures in two download locations, one for members and one for employers
- A new section where you can find about investment portfolios and current crediting rates
- A new Choice section makes Choice easy!
- A series of fact sheets to help you understand super
- Member Benefits Page so you can find out about extra benefits such as discounted banking and MBF

Online Services has also had some cosmetic changes, however, your login and access remains unchanged. Have a look at www.recruitmentsuper.com.au soon!

Contractors and Salary Sacrifice

Contractors who are classified as employees under recently changed Superannuation Guarantee (SG) definitions may now be able to make salary sacrifice super contributions from their pre-tax salary the same way other employees can. If you are a contractor, visit our website for a super Fact Sheet to learn how these changes might affect you.

Welcome Accountants Super

RecruitmentSuper is very pleased to have welcomed members of Accountants Super into our super group. With the addition of Accountants Super members, we are now a bigger fund and will be able to use economy of scale in our operations which will result in long term cost benefits for all members.

Australia Post Re-directions

Want to avoid one of the moving house chores and still let us know your new contact details? With Australia Post's free Address Notification Service, all you have to do is get your mail redirected and they will tell us your new address. You can arrange it online or via a paper form - easy!

Visit www.movingservices.com.au to find out more about this service.

RecruitmentSuper Co-Contributions Calculator

The Government provides a means tested financial incentive for people making personal contributions. Members can calculate how much co-contribution they may be entitled to with our new calculator. It's quick and easy to use, too.

SMS Address update

If we get any mail returned in your name, and we hold a mobile number for you, we may let you know via SMS. Log onto Member Online Services to ensure we have your mobile number so we can keep you in touch with your RecruitmentSuper account.

Fast Member Response

RecruitmentSuper prides itself on excellent response standards including returning calls the same day and providing online access to accounts so that RecruitmentSuper members and employers have ready access to relevant information.

More Choice

Previously employees covered by some state awards were not eligible for super Choice. However, from 1 July 2006 many state award employees are eligible.

If you and your colleagues are state award employees, we would be happy to visit your workplace and explain how easy RecruitmentSuper is to understand and join.

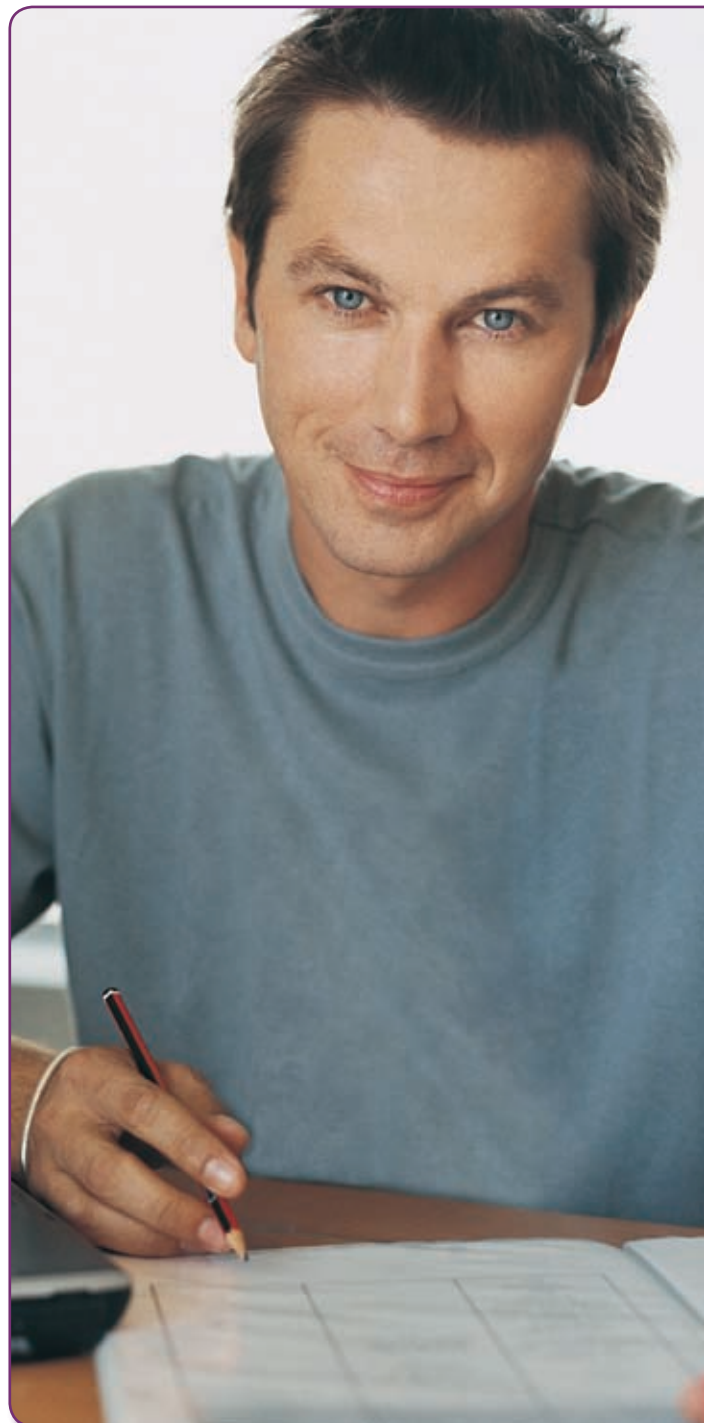
Member Forums

"Thanks for such a valuable presentation", "An excellent start for looking at working your super harder without paying for a financial planner", "Thoroughly enjoyed it. Great staff."

These are just some of the comments we received from members who attended our member forums in May. The forums are free and relaxed sessions to help you understand your super options and investments. Future forum dates will be listed on our website.

Moving between jobs

With RecruitmentSuper, it has always been easy to change jobs, and even industries, without having to change your super. All you have to do is give your new employer your membership number or a RecruitmentSuper Choice form and we'll take care of the rest!



Trustee Elections

Have your say in RecruitmentSuper's management!

RecruitmentSuper is governed by a Board of Trustees. We are holding a general election for a member representative for the Board and you can have a say in who joins our Board in December.

What does the Board do?

The Board consists of six members, equally representing members and employers.

The Board's sole purpose is to oversee the administration of the Fund so that its members are provided with financial benefits for retirement or to their dependants if the member dies.

What is the election about?

One member representative is elected every three years, and all members are welcome to apply for the role. Applicants then undergo a process to determine that they are 'fit and proper' for the role, as defined by law.

Voting is open to all members of the fund and will be conducted online to be cost effective. Full details on each nominee and the voting process are also available on our website.

How do I vote?

We've made voting quick and easy for you this year. All you need to do is visit our website, click on the banner and follow the instructions. It's that easy!

To vote, you will need to enter your membership number and date of birth for identification purposes. Then check the box beside the name of the candidate you wish to vote for.

Information about each of the candidates is listed on pages 14 and 15 and on our website to make it easy for you to choose the appropriate candidate.

You will need to provide an email address so that our returning officer can confirm your vote.

Of course, if you can't access the internet or would simply prefer not to, you can contact our Customer Services Centre on 1300 304 000 to arrange a postal vote kit to be sent to you.

When can I vote?

As the election is being conducted online, you can vote at any time that suits you. Voting opens on Monday 25th September and closes at 5.00pm on Friday 3rd November.



Can I vote more than once?

All members are able to place one vote each. As part of the voting process, you have to enter your membership number and date of birth which prevents anyone voting more than once or for anyone else.

Who can I vote for?

We have accepted three nominees for the 2006 election for a member representative. You can select any one of the three when you vote.

What happens next?

All votes are collected on a secure site managed by our independent Returning Officer.

After voting closes on 3rd November 2006, the votes will be counted for each candidate and the candidate with the most votes will join our Board of Trustees.

The new member representative for the Board will be announced on our website during November. We will also notify you of the outcome during December and January.

Your Nominees

Sylvia Moreno CIPC, FRCSA(Life), MAICD

I currently serve as your member representative on the Board and seek your support to continue looking after your interests.

With 30 years experience in the recruitment profession as an owner and manager, I have been responsible for the employment wellbeing of many thousands of temporary and casual staff.

I am a member of the Australian Institute of Company Directors and have held numerous Board positions including the Institute of Personnel Consultants and the National Association of Personnel Consultants (currently the RCSA).

Apart from my substantial business and financial experience, I am continuing to develop my knowledge with courses in superannuation and trustee responsibilities as well as legislation and investment requirements.

In essence, I am well qualified to look after your interests and to ensure that your investment in retirement superannuation is well protected and grows at the fastest possible rate.

Your super fund has continued to grow and expand with fund assets now in excess of \$970 million, with RecruitmentSuper having grown 30% since last year.

As a result of your current Trustee's proven performance and experience with a competent and dedicated service to all members, your fund is one of the top 10 industry super funds in Australia.

I no longer work full time so I have the time and energy to devote myself to the best interests of RecruitmentSuper members (without any conflict with employer needs as I am not employed by an employer member).

I am committed to helping you achieve financial independence as your elected member representative.

Daniel Rose

While I am relatively new to the workforce, being employed full time for under ten years, I believe that my enthusiasm for reviewing and learning from past mistakes make me an ideal candidate to sit on the RecruitmentSuper board as a member representative. My commitment to the education of those new to employment in the ways of the world will make a valuable contribution to the Fund and for Fund members.

I have a varied employment history within Australia's growing contact centre industry and have gathered both technical, interpersonal and management skills. I have skills and knowledge in all aspects of sales, training and contact centre operations.

During my varied employment, I have been lucky enough to work with superannuation and finance firms, as well as a range of telecommunication firms.

I care not only about personal financial security and future, but also about the security and future of Australia. My employment history has depended on my passion for investigation and communication, two elements that I believe are central to resolving any issues in life.

With a passion to involve myself in ongoing learning through life, I believe that I am a suitable candidate – and I will always be looking for ways to better tailor our future and mould our financial security.

Neil Mitchell-Clark

I am a Fellow of the Institute of Chartered Accountants (ICAEW) and worked with Arthur Andersen and Coopers & Lybrand (now PWC) in the UK, Europe and Australia for over 12 years.

I have also held senior positions with Thorn-EMI and Elderslie Finance.

I have expertise in domestic and international markets in financial and risk management, and corporate governance.

I complemented these skills with operational and management expertise as Chief Financial Officer and Company Secretary for Ross Human Directions. Working with the Board, I oversaw the listing and financial affairs, liaised with investors and handled investment opportunities.

I am currently an equity partner with Knight Frank Australia, a leading property industry organisation. I have played an integral key role in the development of the firm's ownership and business strategies.

Through my current and previous roles, I have developed a clear understanding of institutional markets from both an investor and fund manager perspective.

I worked closely with RecruitmentSuper in its infancy to establish service standards. I have retained strong links with the industry and remain a member of RecruitmentSuper.

My professional track record demonstrates my commitment to transparency, honesty, integrity and continued improvement in member services and returns.

Anything else?

If you have any other questions about the election, please contact our Customer Service Centre on 1300 304 000 or info@recruitmentsuper.com.au

For details about the security of our election process, please direct questions to our Returning Officer at recruitmentsuper@computershare.com.au

Fund Management

Trustee

RecruitmentSuper has a corporate Trustee which operates the Fund - Professional Associations Superannuation Limited (PASL, ABN 14 056 917 303, RSE L0000352).

The Board of Directors of the Trustee is made up of equal numbers of employer and member representatives. Member representatives are elected by Fund members. Employer representatives are either nominated by participating employers and the RSCA or selected as part of an executive search program and then appointed by the whole Board.

The Trustee Directors all play an active role in managing the Fund. Directors have either completed the Australian Institute of Directors' course or the Chartered Secretaries' course. Directors are remunerated for their Board and Board Committee duties. Director fees amounted to \$460,136 in 2005/06.

The Trustee has an Indemnity Insurance Policy to protect both the Fund's assets and the Trustee Directors' personal assets.

Professional Management

RecruitmentSuper is managed by PASL as Trustee. We are sponsored by The Recruitment and Consulting Services Association (RSCA) and use the following service providers:

| | |
|---------------------------------|---|
| Management and Marketing | Recruitment Financial Services |
| Administrator | Primary Superannuation Services Pty Ltd |
| Auditor | Ernst & Young |
| Banker | Commonwealth Bank of Australia |
| Insurers | |
| • Death and TPD | CommInsure |
| • Income Protection | Booker International |
| Asset Consultants | JANA Investment Advisers Pty Ltd |
| Custodian | National Custodian Services |

Trustee Board of Directors - year ending 30 June 2006

Employer Representatives



Mr Ross Fisher,
Chairman



Mr Ross Herron



Mr John Plummer

Member Representatives



Mrs Marian Bolton



Mrs Sylvia Moreno



Ms Erica Turek

Company Secretary

Mr Gary McGrath

Your Annual Statement

As a RecruitmentSuper member, you receive an annual account statement in September or October. This statement provides your superannuation account balance with the Fund, as well as detailing all contributions, taxes and fees applied to your account during the financial year.

To keep you in touch with your account, the statement also includes details of your insurance cover, portfolio selection and nominated beneficiaries, if you have chosen these options. It also notes whether or not we have received your Tax File Number (TFN) which is important in terms of tax you may be required to pay on your super.

Of course, you can get an update on this information throughout the year by logging onto Member Online Services at www.recruitmentsuper.com.au

New Annual Statements

If you were a member of RecruitmentSuper last year, you will notice that this year's Annual Statement contains much more information. This is due to changes to Corporations Regulations set by the Federal Government. The changes affect both the provision of new information and the way information is presented. For example, fees and costs are disclosed in greater detail.

Other Management Costs

The Regulations prescribe specific wording and calculation methods for this section. The figure is calculated by multiplying the Indirect Cost Ratio (ICR) for your investment option by your average monthly account balance for the reporting period.

The ICR is the ratio of management costs not deducted from members' account balances to the average net assets of the relevant investment option over the reporting period. It includes costs deducted from investment returns and costs paid from reserves. It is important to note that the Other Management Costs figure is deducted from investment returns before they are applied to your account. The figure is not directly deducted from your account balance.

Additional Information

In previous years, information about the existence of a disputes resolution mechanism and how to access appeared in the Trustees' Annual Report. Regulations now specify that such information must appear on the Annual Statement instead.

You will receive a 'How to read your Annual Statement' flyer with the statement to help you.

We trust that you will find your Annual Statement to be a helpful tool to understand your multi-faceted superannuation investment.

How to read your Annual Statement
 2 page document (please print out on separate or call us on 1300 804 800)

Your Annual Statement
 Client Number: 022022
 Date of Birth: 01/01/1959
 Tax File Number: [REDACTED]
 RecruitmentSuper Category: EasySuper

Your Account Summary
 Hello Ms Sample, this is your annual statement which contains important information about your account with RecruitmentSuper. Your closing balance for the financial year ending 30 June 2006 is \$4,173.28. This includes total investment earnings of \$334.41.

Your Investment Summary

| Your investment portfolio | Investment Earnings | Balance |
|---------------------------|---------------------|------------|
| Trustee Portfolio | \$334.41 | \$4,173.28 |

Your Beneficiaries
 If you don't have a binding nomination in place, the Trustee of RecruitmentSuper has the final decision about who gets your super if you die. If you wish to nominate a binding nomination, please download a form from our website or contact Customer Service.

Your Insurance Summary
 Death and Total & Permanent Disablement Cover † \$96,000.00
 Insurance cover is subject to the terms and conditions of the Insurance Policy and is dependent on us having your correct Date of Birth, as well as other information (where relevant) provided to us by you and your employer. Please note that if we have not received all required information, your insurance details below may not be up to date and/or you may not be covered for Death and TPD insurance. The amount of your insurance cover may reduce with each birthday.

Your Account Transactions
 1 July 2005 to 30 June 2006

| Member | Account Debits | Account Credits |
|--|----------------|-------------------|
| MS SAMPLE | \$5,412.05 | \$1,238.77 |
| SAMPLE EMPLOYER PTY LTD | \$25.00 | \$25.00 |
| SAMPLE EMPLOYER PTY LTD | \$30.74 | \$30.74 |
| SAMPLE EMPLOYER PTY LTD | \$2.25 | \$2.25 |
| SAMPLE EMPLOYER PTY LTD | \$49.49 | \$49.49 |
| SAMPLE EMPLOYER PTY LTD | \$162.36 | \$162.36 |
| SAMPLE EMPLOYER PTY LTD | \$2.25 | \$2.25 |
| SAMPLE EMPLOYER PTY LTD | \$24.50 | \$24.50 |
| SAMPLE EMPLOYER PTY LTD | \$199.63 | \$199.63 |
| SAMPLE EMPLOYER PTY LTD | \$2.25 | \$2.25 |
| SAMPLE EMPLOYER PTY LTD | \$29.94 | \$29.94 |
| SAMPLE EMPLOYER PTY LTD | \$207.10 | \$207.10 |
| SAMPLE EMPLOYER PTY LTD | \$2.25 | \$2.25 |
| SAMPLE EMPLOYER PTY LTD | \$51.07 | \$51.07 |
| SAMPLE EMPLOYER PTY LTD | \$184.21 | \$184.21 |
| SAMPLE EMPLOYER PTY LTD | \$2.25 | \$2.25 |
| SAMPLE EMPLOYER PTY LTD | \$27.63 | \$27.63 |
| SAMPLE EMPLOYER PTY LTD | \$328.29 | \$328.29 |
| SAMPLE EMPLOYER PTY LTD | \$20.80 | \$20.80 |
| SAMPLE EMPLOYER PTY LTD | \$78.00 | \$78.00 |
| SAMPLE EMPLOYER PTY LTD | \$188.23 | \$188.23 |
| Your Closing Account Balance as at 30 June 2006 | | \$4,173.28 |

DISCLOSURE - Employer Contributions
 * While all care is taken to report correct information, neither the Trustee nor the Fund Administrator accepts liability for any error or omission.
 ** Any contributions received after 30 June 2006 are not shown on this statement.

EasyChoice
 EasySuper
 EasyPlus
 PreservedSuper

RecruitmentSuper makes your super choice easy.



EasyChoice is designed especially for people who want super that is simple and easy to understand. It also suits the needs of temporary, casual and contract workers who need super which can move with them.

The Trustee Portfolio

If you were in the EasyChoice, EasySuper, EasyPlus or PreservedSuper category of RecruitmentSuper at 30 June 2006, your account was automatically invested in a balanced growth portfolio, the Trustee Portfolio.

This is a balanced and easy to understand investment portfolio with a level of growth (at least 3% a year above CPI inflation) in the medium term. This portfolio has a risk of negative annual returns occurring on average only once in every five years.

| Investor time horizon | Medium term (3-5 years) |
|---------------------------------------|-------------------------|
| Investment Reserve to Smooth Returns? | Yes |
| Level of Investment Risk | Moderate |

Interest is calculated on your daily account balance and allocated to your account at 30 June each year (or at exit).

| Asset allocation ranges – Trustee Portfolio at 30/06/2006 | |
|---|--------|
| Sector | Range |
| Australian equities | 20-45% |
| Overseas equities | 15-35% |
| Alternatives | 0-15% |
| Property | 5-20% |
| Diversified Fixed Interest | 5-40% |
| Cash | 0-20% |

Asset allocations were identical at 30 June 2005.

Refer to page 5 for details of the Trustee Portfolio investment returns for the year.

SelectSuper SelectPlus

The SelectSuper and SelectPlus categories of RecruitmentSuper provide you with a range of specialised additional features and benefits, including investment choice, ChoiceCover death and disability insurance and income protection insurance.

SelectPlus is an employer nominated category, but anyone is welcome to join SelectSuper.

Unitisation

Your investment in SelectSuper and SelectPlus is unitised. You are allocated a number of units depending on your account balance and your investment portfolio(s).

Units are allocated to you each time you make a contribution or rollover existing funds. Your unit holding reduces when you leave the Fund or when we deduct fees, taxes and insurance premiums from your account.

Unitisation is similar to buying and selling stocks, with prices changing frequently. The allocation price is based on that week's unit price so your regular contributions will probably convert to a different number of units each time. For members, the buying and selling price for units is the same.

We take out investment fees and tax before setting our unit prices. You can find current and historical unit price information on our website.



Switching

Did you realise that as a SelectSuper or SelectPlus member you can choose how your super is invested?

RecruitmentSuper investment choice enables you to choose one investment portfolio or a combination of the five options available. You can have your current super balance and future contributions invested identically or in different ways. The choice is yours.

Your Product Disclosure Statement (PDS) and our website detail the investment portfolios available for you to choose from.

If you do not actively choose from among the investment portfolios offered, your super will be automatically invested in the Balanced Growth investment portfolio.

You can change the way your super is invested in our investment portfolios at any time; this is called switching. Even better, RecruitmentSuper doesn't charge members a fee to switch their investments!

Switching can be done by logging into Online Member Services, or completing an Investment Choice Form available from our website or by calling our Customer Services Centre.

The following five investment options are available for you to choose from. If you haven't yet made a choice, your account is invested into the Balanced Growth portfolio by default.

- **Balanced Growth**
- **Aggressive Growth**
- **High Growth**
- **Conservative Growth**
- **Cash Plus**

Note that assets with an overseas exposure are hedged. These options are explained over pages 24 to 28.

Balanced Growth

The objective of this portfolio is to produce an income with limited risk of losses. The aim is to achieve at least 3% a year above CPI inflation in any five year period. There is a risk of negative annual returns only once in every five years on average.

| Investor time horizon | Medium term (3-5 years) |
|---------------------------------------|-------------------------|
| Investment reserve to smooth returns? | No |
| Level of investment risk | Moderate |
| Unit price @ 30/6/06 | \$1.4213 |
| Annualised effective return @ 30/6/06 | 15% |

Your return will vary based on the length of time you've been in the Fund and any transactions and individual unit prices during the year.

How your Balanced Growth super assets are allocated

| Portfolio | As at 30 June 2006 | |
|----------------------------|--------------------|-----------|
| | Asset Allocation | Benchmark |
| Australian Equities | 20-45% | 32% |
| Overseas Equities | 15-35% | 26.5% |
| Alternatives | 0-15% | 10% |
| Property | 5-20% | 10% |
| Diversified Fixed Interest | 5-40% | 15% |
| Cash | 0-20% | 6.5% |

Asset allocations were identical at 30 June 2005.

Aggressive Growth

The objective of this portfolio is to produce a high income. The aim is to achieve at least 4% a year above CPI inflation in any eight year period. There is a risk of negative annual returns only once in every four years on average.

| Investor time horizon | Long term (10+ years) |
|---------------------------------------|-----------------------|
| Investment reserve to smooth returns? | No |
| Level of investment risk | Very High |
| Unit price @ 30/6/06 | \$1.4657 |
| Annualised effective return @ 30/6/06 | 18% |

Your return will vary based on the length of time you've been in the Fund and any transactions and individual unit prices during the year.

How your Aggressive Growth super assets are allocated

| Portfolio | As at 30 June 2006 | |
|----------------------------|--------------------|-----------|
| | Asset Allocation | Benchmark |
| Australian Equities | 35-60% | 45% |
| Overseas Equities | 25-45% | 35% |
| Alternatives | 0-15% | 10% |
| Property | 5-20% | 10% |
| Diversified Fixed Interest | 0% | 0% |
| Cash | 0% | 0% |

Asset allocations were identical at 30 June 2005.

● High Growth

The objective of this portfolio is to produce high income with some risk of losses. The aim is to achieve at least 3.5% a year above CPI inflation in any seven year period. There is a risk of negative annual returns only once in every four years on average.

| Investor time horizon | Medium-long term (5-10 years) |
|---------------------------------------|-------------------------------|
| Investment reserve to smooth returns? | No |
| Level of investment risk | High |
| Unit price @ 30/6/06 | \$1.4270 |
| Annualised effective return @ 30/6/06 | 16.0% |

Your return will vary based on the length of time you've been in the Fund and any transactions and individual unit prices during the year.

How your High Growth super assets are allocated

| Portfolio | As at 30 June 2006 | |
|----------------------------|--------------------|-----------|
| | Asset Allocation | Benchmark |
| Australian Equities | 30-55% | 38% |
| Overseas Equities | 15-35% | 28.5% |
| Alternatives | 0-15% | 10% |
| Property | 5-20% | 10% |
| Diversified Fixed Interest | 5-30% | 8.5% |
| Cash | 0-15% | 5% |

Asset allocations were identical at 30 June 2005.

● Conservative Growth

The objective of this portfolio is to produce an income with minimal risk of losses. The aim is to achieve at least 2% a year above CPI inflation in any three year period. There is a risk of negative annual returns only once in every eight years on average.

| Investor time horizon | Short-medium term (1-3 years) |
|---------------------------------------|-------------------------------|
| Investment reserve to smooth returns? | No |
| Level of investment risk | Low |
| Unit price @ 30/6/06 | \$1.2910 |
| Annualised effective return @ 30/6/06 | 7.2% |

Your return will vary based on the length of time you've been in the Fund and any transactions and individual unit prices during the year.

How your Conservative Growth super assets are allocated

| Portfolio | As at 30 June 2006 | |
|----------------------------|--------------------|-----------|
| | Asset Allocation | Benchmark |
| Australian Equities | 5-25% | 12% |
| Overseas Equities | 0-15% | 10.5% |
| Alternatives | 0-10% | 4% |
| Property | 0-15% | 5% |
| Diversified Fixed Interest | 40-70% | 43.5% |
| Cash | 0-30% | 25% |

Asset allocations were identical at 30 June 2005.

● Cash Plus

The objective of this portfolio is to produce an income with no risk of losses. The aim is to achieve after tax returns in line with the Bank Bill rate (about 1% p.a. above CPI on average) in any two year period.

| Investor time horizon | Short term |
|---------------------------------------|------------|
| Investment reserve to smooth returns? | No |
| Level of investment risk | Low |
| Unit price @ 30/6/06 | \$1.1932 |
| Annualised effective return @ 30/6/06 | 5.1% |

Your return will vary based on the length of time you've been in the Fund and any transactions and individual unit prices during the year.

How your Cash Plus super assets are allocated

| Portfolio | As at 30 June 2006 |
|----------------------------|--------------------|
| | Asset Allocation |
| Australian Equities | 0% |
| Overseas Equities* | 0% |
| Alternatives | 0% |
| Property | 0% |
| Diversified Fixed Interest | 0% |
| Cash | 100% |

Asset allocations were identical at 30 June 2005.



Investment Managers

| Asset Class | Managers |
|------------------------|---|
| Australian Equities | MLC Limited (underlying manager is Wallara Asset Management) * |
| | MLC Limited (underlying manager is Concord Capital) * |
| | MLC Limited (underlying manager is Maple Brown Abbott) * |
| | Colonial First State (underlying manager is 452 Capital) |
| | JANA AE Long Short |
| International Equities | Wellington Management Corporation * |
| | Capital International (through NCA) * |
| | GMO Australia Limited |
| | Marvin & Palmer Associates, Inc |
| | JANA High Alpha * |
| | JANA Global Long Short |
| Property | Deutsche * |
| Alternatives | Hastings Funds Management |
| | Hollowesko Global Fund Ltd |
| | Harris Alternatives L.L.C. |
| | Warakirri Asset Management (underlying manager is Mesirow Advanced Strategies, Inc) |
| | GMO Australia Limited |
| | Holowesko Short |
| Australian Bonds | JANA DFI * |
| | Members Equity |
| Overseas Bonds | Bridgewater Associates Inc |
| | JANA DFI |
| Cash | ANZ (underlying manager is ING Investment Management) |
| | National Custodian Services |

Current as at 30 June 2006

* These managers have a value in excess of 5.0% of the total assets of the Fund.

Please note the Trustee does not invest directly in futures, options or other derivatives. The Trustee has reviewed the use of derivatives in each of the Fund's underlying collective investments, and is satisfied that they are consistent with the Fund's overall strategy.

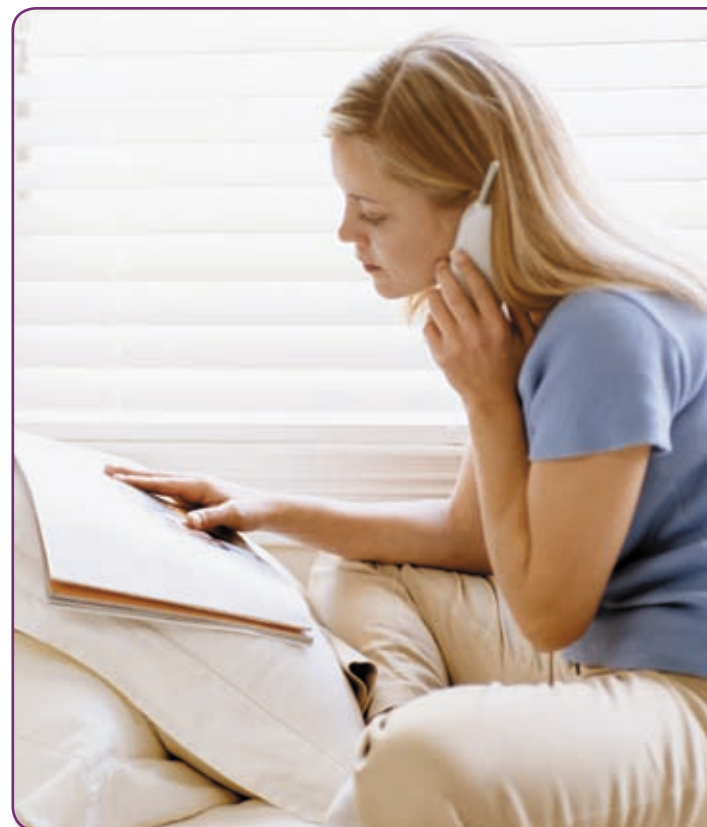
Other investment information you should know about

Reserving Policy

An investment smoothing reserve account is maintained. It is used to increase returns to EasyChoice, EasySuper, EasyPlus and PreservedSuper members in times of low investment returns.

The table details movements in reserves since 2003.

| Reserves – Year Ended | \$000 |
|-----------------------|--------|
| 30 June 2003 | 1,824 |
| 30 June 2004 | 4,916 |
| 30 June 2005 | 7,232 |
| 30 June 2006 | 16,284 |



Abridged Financial Statements

The 2006 information is taken from interim accounts and is yet to be audited; the 2005 figures are audited. The audited statements and the auditor's report in relation to these accounts will be available to members upon request in late September 2006.

Operating statement for the year ended 30 June 2006

| | 2006 \$000 | 2005 \$000 |
|-------------------------|----------------|----------------|
| Contributions | 188,353 | 175,189 |
| Investment | 85,593 | 46,727 |
| Other Revenue | 902 | 348 |
| TOTAL REVENUE | 274,848 | 222,264 |
| Administration Expenses | 24,571 | 16,001 |
| Income Tax | 27,155 | 24,833 |
| Benefits | 78,575 | 45,493 |
| TOTAL EXPENSES | 130,301 | 86,327 |
| Opening Balance | 507,517 | 371,585 |
| | 652,031 | 507,517 |

Statement of financial position at 30 June 2006

| | 2006 \$000 | 2005 \$000 |
|--------------------------|----------------|----------------|
| Investments | 644,799 | 492,317 |
| Cash at Bank | 20,660 | 18,696 |
| Other Assets | 13,827 | 13,149 |
| TOTAL ASSETS | 679,286 | 524,162 |
| Amounts Payable | 7,646 | 1,343 |
| Tax Provision | 19,609 | 15,302 |
| TOTAL LIABILITIES | 27,255 | 16,645 |
| NET ASSETS | 652,031 | 507,517 |
| Vested Benefits | 634,747 | 499,901 |
| Reserve | 16,284 | 7,616 |
| | 651,031 | 507,517 |

RCSA sponsorship

RecruitmentSuper is committed to assisting individuals achieve professional excellence and ensuring that they can work in businesses with the highest standards of customer service.

As part of that philosophy, we are proud to support the Recruitment and Consulting Services Association's (RCSA) Centre for Recruitment Excellence and The RCSA Research Foundation.

As the industry fund for the employment services sector, we are also sponsoring RCSA educational events such as industry breakfasts. Our Business Partnership with the RCSA will span the next five years.

The RCSA is the recruitment industry body for Australia and New Zealand with over 3,600 members in recruitment, consulting and on-hire employment services. The Association sets professional standards, conducts research, educates and develops members' skills, monitors industry development and lobbies Governments on issues directly affecting members.



Other Information

If we lose contact or your account becomes inactive

If we can't contact you and/or your account becomes inactive, the balance of your account may be transferred out of the Fund. No transfer fees apply to such transfers.

Your super account will be transferred to the PreservedSuper category of RecruitmentSuper or rolled over into an eligible rollover fund, depending on your account balance.

Our Eligible Rollover Fund (ERF) is called Super Safeguard. In Super Safeguard:

- Your benefit may receive interest
- Administration charges will not exceed interest credited, except in years of low investment returns, where a fee of up to \$10 p.a. may be charged
- No insurance or investment choice is available
- Your benefit is available for withdrawal under the same conditions as in RecruitmentSuper.

An account is inactive when no contributions are received for five consecutive Superannuation Guarantee (SG) quarters.

If you return to RecruitmentSuper, you can have your Super Safeguard account transferred into your new account. Super Safeguard checks for new accounts each year and will contact you if relevant.

To obtain a Product Disclosure Statement, contact Super Safeguard at:

GPO Box 3426
Melbourne VIC 3001
Phone 1300 135 181

Lost Member registries

RecruitmentSuper undertakes annual "SuperMatch" searches of the ATO registries using information on our data base such as name, address and Tax File Number. As a result, we locate money held in the name of members all over Australia.

Nominated beneficiaries

Don't forget to check your annual statement to ensure your beneficiary nomination is still valid. Binding beneficiary nomination forms are available from our website, or contact us to request a copy.

If you don't have a binding nomination in place, the RecruitmentSuper Trustee has the final decision on who gets your super if you die.

Tax

We deduct 15% federal government tax from your employer contributions, including those from your pre-tax pay, upon receipt of such contributions.

Member Online Services

RecruitmentSuper offers free online services to all members, and you can even register online!

To register online, simply go to www.recruitmentsuper.com.au and follow the links to Online Services. You'll be asked to confirm some personal details as part of our routine security check, and you'll be able to choose a password for your account. If you have any difficulties registering, you can contact our Customer Service Team on 1300 304 000 who will be happy to help you to register.

Our online services provide you with the following features:

- Quick and easy online registration
- Easily update your personal details – including your address and contact numbers
- Securely check your investment balance at any time that suits you – you can even obtain an instant benefit quote
- Modify your investment portfolio and view your insurance arrangements
- Increase your retirement savings, and potentially become eligible for the Government Co-contribution, by making a personal contribution online.

All of these services are available to you 24 hours a day, 7 days a week.

Are you a RecruitmentSuper Employer?

Did you know you can pay super contributions for your employees online, too? RecruitmentSuper's online services for employers might:

- Save you money on postage
- Save you time writing cheques and waiting for the bank to clear them
- Save you up to 83% in time compared to paying your contributions manually.

RecruitmentSuper's Employer Online Services is a super way to make paying your contributions even easier!

Staying in touch

Have you moved? Got married? Changed mobile phones? If you need to change any of your details with us, you can download a Change of Member Details Form, log into Member Online Services or contact us directly from the details below.

Contact us

Phone **1300 304 000**

Correspondence to:

RecruitmentSuper
GPO Box 4839
Melbourne VIC 3001

Fax **1300 304 444**

Website **www.recruitmentsuper.com.au**

Email **info@recruitmentsuper.com.au**

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