

Annual Report

Year Ended 30 September 2005

For members of:
TOWER Master Fund

PRODUCTS

ARC Master Trust Corporate Superannuation

ARC Master Trust Personal Superannuation

ARC Master Trust Allocated Pension



Prepared and Issued - January 2006

Issuer and Trustee:

TOWER Australian Superannuation Limited

ABN 69 003 059 407

AFSL No. 237851

arc[®] (MT) MASTER TRUST

Directory

Fund Name

TOWER Master Fund ('Fund')
ABN 20 891 605 180
SFN 149156

Issuer & Trustee

TOWER Australian Superannuation Limited
ABN 69 003 059 407
AFSL No. 237851

Administrator, Insurer & Investment Manager

TOWER Australia Limited
ABN 70 050 109 450
AFSL No. 237848

Head Office

80 Alfred Street
Milsons Point NSW 2061
Telephone: (02) 9448 9000
Facsimile: (02) 9448 9100

Postal Address

ARC Master Trust
PO Box 142
Milsons Point NSW 1565

Customer Service

ARC Customer Service Consultants
☎ 1800 101 014
Monday to Friday 8.30am - 5.30pm (EST)
Fax 1800 654 946
🌐 www.arcmt.com.au

Important Notes & Disclaimer

TOWER Australian Superannuation Limited (nor any of its related bodies corporate and their respective directors and associates) does not guarantee any particular rate of return, or the repayment of capital or income, or the performance of any of the products or funds referred to in this report unless otherwise stated.

The information contained in this Annual Report is general advice only. It does not take into account your individual objectives, financial situation or needs.

The investment managers have not authorised or caused the issue of this document. The information disclosed about the investment managers and their investment options has been provided to the Trustee by the investment managers. The Trustee does not make any assurances as to the accuracy of these statements. Each investment manager has consented to be named in this document.

Glossary

ABN	Australian Business Number
AFSL	Australian Financial Services Licence
APRA	Australian Prudential Regulation Authority
ATO	Australian Taxation Office
Fund	The TOWER Master Fund
pa	Per Annum
SCT	Superannuation Complaints Tribunal
SFN	Superannuation Fund Number
TOWER	TOWER Australia Limited and any related bodies corporate
Trustee	TOWER Australian Superannuation Limited
'you', 'your', 'Member'	the Member of the Fund

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Director's Message

Dear Member

On behalf of the Trustee, I am pleased to present the Annual Report for the year ended 30 September 2005.

2005 delivers good results for Investors

The investment markets ended the year to 30 September on a strong note.

The Australian market drove the good results, with Australian shares and listed property the stand out performers. The local sharemarket, which reached a record high during September, continued to be buoyed by positive investor sentiment and strong cash flows from investors. The listed property sector has benefited from falling long term interest rates as well as continued merger activity. Many overseas share markets also performed strongly during the year, particularly Japan, France and Germany. However the strengthening Australian dollar reduced the earnings for Australian investors. We should always be aware that markets fall as well as rise and we do expect the markets to be softer during 2006. Past performance is not a guarantee of future performance.

International Shares investment portfolio refined

As part of our desire to continually review and refine our investment portfolios, there have been some recent changes to the investment managers contained in the International Shares portfolio. Alliance Capital has been terminated from the portfolio and the proceeds were invested with incumbent manager Bernstein Investment Research and Management. The re-structure was undertaken to ensure the portfolio continues to meet investors' objectives going forward.

Changes to Government policy make superannuation savings attractive

Recent changes to Government policy include the announced measures to provide members with more incentive to continue to contribute towards their superannuation savings. The superannuation surcharge was removed altogether from 1 July 2005. There were also changes to the superannuation co-contribution scheme which increase the level of co-contributions available. You can read more about these changes in "Important Changes to Superannuation".

Super Choice – making an informed decision

With the introduction of Super Choice from 1 July 2005, you may choose to direct your Super Guarantee Contributions into your existing TOWER fund. Investment performance, fees, insurance and service are all key aspects that you should take into account when considering your options. Remember, superannuation is one of the most important long term assets you hold and is still one of the best ways to save for a suitable retirement.

Changes to your 2005 Annual Report

Also included is information about the Fund and important changes to superannuation which have taken place over the past year. This Report should be read in conjunction with your Annual Statement. The statement details your benefit entitlements as at 30 September 2005.

Summary

Thank you for your continued support of TOWER. We look forward to helping you achieve your investment objectives in the years ahead.



Yours faithfully

TOWER Australian Superannuation Limited

A handwritten signature in black ink, appearing to read 'Grahame Evans', written over a white background.

Grahame Evans
Director

Fund Information

The Fund

ARC Master Trust Corporate Superannuation, ARC Master Trust Personal Superannuation and ARC Master Trust Allocated Pension are part of the TOWER Master Fund (Fund).

The Fund is a regulated complying superannuation fund under the Superannuation Industry (Supervision) Act 1993 (SIS). The Trustee operates, and intends to continue to operate, the Fund as a complying superannuation fund.

The Trustee

The Trustee of the Fund is TOWER Australian Superannuation Limited, a wholly owned subsidiary of TOWER Australia Limited and part of the TOWER Group.

Indemnity Insurance

Indemnity insurance has been effected by the Trustee in order to maintain sufficient and adequate cover to protect the interests of members of the Fund.

Trust Deed

A legal document called a Trust Deed sets out the provisions that govern the Fund. The Trustee is responsible for ensuring that the Fund operates according to the Trust Deed and the accompanying Rules, and that the Fund complies with all relevant laws.

Trust Deed Amendments

For the year ending 30 September 2005, an amending deed dated 19 October 2004 has been made to the Trust Deed. The amendments have included:

- The replacement for the definition of 'Dependant'; and
- The insertion of the definition of Interdependency Relationship; and
- Expanding the Trustee's power to comply with Superannuation (Government Co-Contributions for low income earners) Act; and
- Inserting a clause in order for contributions to be paid by other persons.

Members may inspect the Trust Deed at any time by arrangement with us (see Directory on inside cover for contact details).

Fund Review Date

The annual Fund Review date is 30 September. This is the date each year when your account balance is valued specifically for the purpose of preparing the Fund's financial accounts and annual return to the Australian Prudential Regulation Authority (APRA).

ARC Master Trust Corporate & ARC Master Trust Personal Members

For ARC Master Trust Corporate and ARC Master Trust Personal members, 30 September is also the date:

- where we determine and report your benefits, account balance and any transactions that have taken place over the period, including any fees and charges deducted from your account, as required by superannuation law; and
- from which, for members who have taken out insurance protection benefits through the Fund, any insurance cover is updated each year as a result of:
 - changes to salary (i.e. where salary is a factor in calculating your insured benefits and we have been advised by your employer); and
 - changes to your age, including:
 - termination of any Death insurance if you have turned age 69 during the previous reporting year; and
 - termination of any Total and Permanent Disablement or Income Protection insurance if you have turned age 64 during the previous reporting year.

ARC Master Trust Allocated Pension Members

For ARC Master Trust Allocated Pension members, 30 June is the date where we determine and report your benefits, account balance and any transactions that have taken place over the period, including any fees and charges deducted from your account.

Please note that, for ARC Master Trust Allocated Pension members, it is your member account balance as at 1 July each year that is used to determine your minimum and maximum pension levels for that financial year.

Policy Committees

Certain employer superannuation plans within ARC Master Trust Corporate (i.e. generally plans with 50 or more members) must have equal member and employer representation on a body known as a 'policy committee'.

The policy committee acts largely as a means for providing an avenue for members to enquire about the operation of the Fund and to provide a communication channel between members, the employer and Trustee. The establishment of a policy committee depends, in the main, on the number of members in your employer's plan.

Please refer to the TOWER Master Fund 'Policy Committee Guide', available from www.arcmt.com.au

Superannuation Surcharge

Where applicable, payments to the Australian Taxation Office in connection with superannuation contributions surcharge are deducted from your account balance. Details of any such deductions are shown on your annual Member Statement.

Enquiries and Further Information

If you have an enquiry or if you require further information about your fund account, please contact your Financial Adviser, or contact one of our Customer Service Consultants on 1800 101 014, Monday to Friday 8:30am – 5:30pm (Sydney time). Alternatively, you can email us at arcmt@au.towerlimited.com (quoting your membership number) or write to TOWER at the following address:

PO Box 142
Milsons Point NSW 1565.

Complaints

If you have a complaint regarding your account, please lodge your complaint in writing to the **TOWER Complaints Manager** at the following address:

TOWER Australia Limited
PO Box 142
Milsons Point NSW 1565.

If your complaint has not been resolved to your satisfaction, you may refer your complaint to the Superannuation Complaints Tribunal (SCT) (contact details are shown below).

The SCT is an independent body established by the Commonwealth Government to review trustee decisions relating to its members as opposed to trustee decisions about the management and operation of a superannuation fund as a whole. The objective of the SCT is to provide a fair, timely and economical means of resolution of complaints as an alternative to a court system.

Important Note Regarding Complaints to the SCT

You may only refer your complaint to the SCT if your complaint has not been resolved to your satisfaction within 90 days of lodgement with the TOWER Complaints Manager. The SCT can be contacted at the following address:

Locked Bag 3060
GPO Melbourne, VIC 3001
Telephone: 1300 884 114.

Approved Eligible Rollover Fund

The Trustee is required by superannuation law to select an eligible rollover fund (ERF) to which we may transfer your withdrawal benefit in certain circumstances, for example, if your benefit is \$1,500 or less and you have not provided us with instructions for payment within 30 days of your benefit becoming payable.

Small accounts of \$1,500 or less may also be periodically transferred to the ERF to protect members against the dilution of their benefits by fees.

Please note that under legislation, we may also transfer your benefits to an ERF in circumstances other than those specified above.

If we pay your benefits to the ERF, you cease to be a member of the Fund and become a member of the ERF. On transfer to the ERF, any benefit entitlement (including any insurance protection benefit) that you have in the Fund ceases. You are able to transfer or withdraw benefits from the ERF as the governing legislation permits.

The Trustee has nominated The Australian Eligible Rollover Fund as the Fund's ERF. Its contact details are:

Australian Eligible Rollover Fund
Locked Bag 5429
Parramatta NSW 2124
Telephone: 1800 677 424.

Lost Members

The Australian Taxation Office maintains a register of 'lost members'. Members may search this register to help trace any lost superannuation entitlements.

It is important to ensure that the Trustee of the Fund is always advised of any change of address.

Unclaimed Benefits

In some circumstances your benefits in the Fund may become subject to the unclaimed money laws.

An example is if you reach age 65 and a benefit from the Fund is to be paid to you but we have not received any contributions or rollovers in respect of you in the last two years and, after making reasonable efforts and waiting a reasonable period of time, we are unable to contact you about the benefit payable.

We must pay unclaimed benefits to the New South Wales Office of State Revenue.

To claim any benefits transferred to the NSW Office of State Revenue, you or your dependants will need to contact its Unclaimed Money Service at:

Telephone: 1300 366 016

Email: unclaimedmoney@osr.nsw.gov.au

On transfer to the NSW Office of State Revenue, any benefit entitlement (including any insurance protection benefit, if applicable) that you have in the Fund ceases.

Financial Information

The financial accounts of the Fund are prepared in accordance with the Australian Accounting Standard AAS25 "Financial Reporting by Superannuation Plans", the provisions of the Trust Deed and relevant legislative requirements.

Members' benefits in the Fund are wholly determined by reference to life insurance policies. Such funds are exempt from providing the following information in their Annual Report to members:

- audited fund accounts, auditor's report or abridged financial information; and
- statement of assets; and
- details of any investments (or combination of investments in a single enterprise or single group of associated enterprises) which exceed 5% of the total value of the fund.

All expenses incurred by the Trustee of the Fund to date have been borne by TOWER and are reflected in the charges appropriate to the life insurance policies within the Fund. The Trustee is entitled (and may commence) to recover reasonable expenses from the Fund by giving 30 days notice to members. Any such expense recoveries may be made by deducting the relevant amounts from the Fund's assets as a whole.

Processing of Applications, Contributions and Withdrawals

TOWER reserves the right to suspend the processing of all applications, contributions or withdrawals under certain market conditions or extraordinary circumstances if, in TOWER's opinion, to continue processing would not be in the best interests of members.

If the suspension on withdrawals continues for a long period, the Trustee must seek APRA approval.

Please note that before you rollover, transfer or withdraw a benefit you may ask us for information to assist you to understand your benefit including information on fees, charges and the effect of the rollover, transfer or withdrawal.

Fee Increases or Alterations

Standard fees and charges are detailed in the ARC Master Trust Product Disclosure Statement: Part 1 of 2 – General Information for each product.

Investment management fees for each investment option are detailed in the ARC Master Trust Product Disclosure Statement: Part 2 of 2 – Investment Choices.

Copies of these Product Disclosure Statements may be obtained at any time from your Financial Adviser or by calling TOWER, or may be downloaded from www.arcmt.com.au

Fee Increases

Each of the fees, charges and thresholds (including maximum amounts) may be indexed in line with any increase in the 12 month Consumer Price Index (CPI) on 1 January each year. The following increases are based on a CPI increase of 3% for the year ended 30 September 2005.

Administration Fee

With effect from 1 January 2006, the thresholds for determining the Administration Fee payable have been increased as follows:

Value of Employers ARC Master Trust Corporate Plan		Maximum Administration Fee Amount
Old Threshold	New Threshold	
First \$153,450	First \$158,053	1.45% pa
Next \$204,600	Next \$210,738	1.10% pa
Next \$511,500	Next \$526,845	0.75% pa
Amounts over \$869,550	Amounts over \$895,636	0.45% pa

Value of ARC Master Trust Personal Account		Maximum Administration Fee Amount
Old Threshold	New Threshold	
First \$102,300	First \$105,369	1.45% pa
Next \$153,450	Next \$158,053	1.10% pa
Next \$255,750	Next \$263,422	0.75% pa
Amounts over \$511,500	Amounts over \$526,845	0.45% pa

Value of ARC Master Trust Allocated Pension Account		Maximum Administration Fee Amount
Old Threshold	New Threshold	
First \$102,300	First \$105,369	1.45% pa
Next \$153,450	Next \$158,053	1.10% pa
Next \$255,750	Next \$263,422	0.75% pa
Amounts over \$511,500	Amounts over \$526,845	0.45% pa

The minimum Administration Fee payable has also been increased from \$10.23 to \$10.54 per month.

Member Fee (ARC Master Trust Corporate only)

With effect from 1 January 2006, the Member Fee has been increased as follows:

No. of Members in Employer's Plan	Old Monthly Fee	New Monthly Fee
1 – 4	\$6.49	\$6.70
5 or more	\$4.96	\$5.11

Members with an ARC Master Trust Corporate account balance of \$26,342 or more (increased from \$25,575) are not charged this fee.

Withdrawal Fee

With effect from 1 January 2006, the Withdrawal Fee has been increased from \$66.49 to \$68.50.

Family Law – Request for Information

With effect from 1 January 2006, the amount of this fee has been increased from \$148.41 to \$152.00. (This fee is payable by the spouse making the request for information).

Additional Information

Members will be provided with at least 30 days notice before introducing any additional fee(s) or before any increases (other than CPI increases) to the fees and charges previously disclosed.

Investment Information

Investment Objective

The Trustee's investment objective is to provide a comprehensive and suitable range of investment options from which all members can select investments which are suitable for their personal circumstances at any particular time.

Investment Strategy

The Trustee's investment strategy is to invest in an investment life insurance policy issued by TOWER, which provides a range of investment portfolios with different risk/return profiles.

The ARC Master Trust offers two major types of investment options:

- **Multi-Manager Options** – which use a number of investment managers to provide diversity of investment style, performance and risk within the one option; and
- **Specialist Manager Options** – which use only one specialist investment manager per option.

Within each of the multi-manager and specialist manager menus there are:

- **Multi-Sector Options** – where each invests in a range of both growth and defensive asset classes to produce a diversified investment mix; and
- **Single Sector Options** – where each invests primarily in only one asset class.

The multi-manager and the specialist manager menus are further divided into Portfolios, as follows:

- Capital Guaranteed Portfolio;
- Cash Portfolio;
- Capital Stable Portfolio;
- Fixed Interest Portfolio;
- Balanced Portfolio;
- Property Portfolio;
- Growth Portfolio;
- Australian Shares Portfolio; and
- International Shares Portfolio.

The Portfolios offer a range of individual investment options, which members may mix and match to meet their needs.

Full details for each of the investment options and investment managers available to the members including:

- investment objectives and strategies;
- labour standards or environmental, social or ethical considerations taken into account when selecting, retaining or realising investments;
- asset allocation benchmarks and ranges; and
- investment management fees

are contained in the ARC Master Trust Product Disclosure Statement: Part 2 of 2 – Investment Choices, which is available from your Financial Adviser, or by calling our Customer Service Consultants on 1800 101 014 or can be downloaded by visiting www.arcmt.com.au

The Trustee may add, vary or withdraw investment options at its discretion.

Investment in Derivatives

The Trustee presently invests all Fund assets in investment life insurance policies issued by TOWER and, therefore, does not acquire or use derivative instruments directly.

Derivatives such as futures, options and swaps (as applicable) may be used, within approved limits, by the investment managers of the underlying investment options in managing the various portfolios of assets.

Changes to Investment Options 1 July 2005

Effective 1 July 2005, there were some important changes to the investment options available to ARC Master Trust members.

The Trustee reviews the investment options on a regular basis to ensure the Trustee's objectives and agreed service standards have been met. Following the recent completion of such a review, the changes to the investment options menu detailed below have been implemented.

New Investment Options Available From 1 July 2005

The following 11 new investment options were made available to members:

- Credit Suisse Asset Management International Shares Fund
- Eley Griffiths Group Small Companies Fund
- Investors Mutual Australian Share Fund
- TOWER Australia Cash Fund
- TOWER Australia Conservative Balanced Fund
- TOWER Australia International Shares Fund
- UBS Balanced Investment Fund
- UBS Defensive Investment Fund
- UBS Diversified Fixed Income Fund
- Vanguard Australian Shares Index Fund
- Vanguard International Shares Index Fund

Profiles of these new investment options are included in the ARC Master Trust Product Disclosure Statement: Part 2 of 2 – Investment Choices issued by the Trustee as at 1 July 2005. A copy of this document may be obtained from your Financial Adviser or via the ARC Master Trust website at www.arcmt.com.au or by calling one of our Customer Service Consultants on 1800 101 014.

Closure / Termination of Some Existing Investment Options

The following investment options were **closed to further investment** from 1 July 2005, pending their termination as at the dates specified below. For each of these investment options, the Trustee selected a **default replacement investment option** (generally the 'nearest equivalent' investment option selected from the new menu).

The Trustee's recommended replacement option was based on a consideration of a number of factors, including the strength of the underlying manager's investment process and team, the investment style of the fund, the ability of the manager to add value going forward and their adherence to agreed service standards.

Closed fund Investment Options from 1 July 2005	Termination Date	Trustee's Default Replacement Investment Option
Citigroup Emerging Market Trust	31 August 2005	TOWER Australia International Shares Fund
Deutsche Strategic Value Fund	31 August 2005	TOWER Australia Conservative Balanced Fund
Investors Mutual Future Leaders Fund	31 August 2005	Investors Mutual Australian Share Fund
Macquarie Master Fixed Interest Fund	23 August 2005	Citigroup Australian Bond Trust (formerly Citigroup Bond Trust)
Macquarie Master Australian Enhanced Equities Fund	31 August 2005	TOWER Australia Australian Shares Fund
Merrill Lynch Wholesale Australian Share Fund (formerly Merrill Lynch Wholesale Imputation Fund)	31 August 2005	TOWER Australia Australian Shares Fund
Merrill Lynch Wholesale Balanced Fund	31 August 2005	TOWER Australia Balanced Growth Fund
The Portfolio Service – Australian Emerging Managers fund	31 August 2005	TOWER Australia Australian Shares Fund
The Portfolio Service – Australian Majors fund	31 August 2005	TOWER Australia Australian Shares Fund
The Portfolio Service – Balanced Outcomes fund	31 August 2005	TOWER Australia Conservative Balanced Fund

Closed fund Investment Options from 1 July 2005	Termination Date	Trustee's Default Replacement Investment Option
The Portfolio Service – Cash Management fund	31 August 2005	TOWER Australia Cash Fund
The Portfolio Service – Conservative Outcomes fund	31 August 2005	TOWER Australia Security Focus Fund
The Portfolio Service – Enhanced Outcomes fund	31 August 2005	TOWER Australia Balanced Growth Fund
The Portfolio Service – Global Foundations fund	31 August 2005	TOWER Australia International Shares Fund
The Portfolio Service – Hi-Growth Outcomes fund	31 August 2005	TOWER Australia Growth Maximiser Fund
The Portfolio Service – Moderate Outcomes fund	31 August 2005	TOWER Australia Security Focus Fund
The Portfolio Service – Traded Properties fund	31 August 2005	Deutsche Paladin Property Securities Fund
TOWER Australia Global Responsibility Fund	5 August 2005	TOWER Australia Ethical Growth Fund

Benefits to Members

Whilst retaining a comprehensive range of investment options designed to suit the differing investment needs of ARC Master Trust members, these changes provide a number of direct and indirect benefits to members, including:

- **More investment managers to choose from** – although the number of investment options has decreased, there are more investment managers represented on the ARC Master Trust menu than before; and
- **Potential for improved investment performance** – a more streamlined menu may increase the value of some of the investment options, thereby reducing the impact of transaction costs on investment performance in those options.

Investment Performance

Investment performance information as at 30 September 2005 is detailed below.

Current performance figures (updated at the end of each month) may be obtained from your Financial Adviser, or by calling our Customer Service Consultants on 1800 101 014 or visiting www.arcmt.com.au

The investment earnings on your member account in the ARC Master Trust are shown in your annual Member Statement.

Care should be exercised in relying on past performance, as this is not a suitable basis for assessing long term future performance.

ARC Master Trust Corporate Superannuation & ARC Master Trust Personal Superannuation (Taxed)

Investment Option	Unit Inception Date	Yearly Returns (%)					Compound Average Returns (% pa)	
		Year to 30/09/2005	Year to 30/09/2004	Year to 30/09/2003	Year to 30/09/2002	Year to 30/09/2001	5 Years to 30/09/2005	Since Inception to 30/09/2005
Capital Guaranteed Portfolio								
TOWER Australia Capital Assured Fund	n/a	Declared Crediting Rate at 30/09/2004: 4.2% Declared Crediting Rate at 30/09/2005: 4.7%						
Cash Portfolio								
Tower Australia Cash Fund – New from 1 July 2005	Jul-05	n/a	n/a	n/a	n/a	n/a	n/a	0.7
Capital Stable Portfolio								
Perpetual's Wholesale Conservative Growth Fund	Mar-03	8.1	5.9	n/a	n/a	n/a	n/a	6.3
TOWER Australia Security Focus Fund	Mar-03	6.9	5.8	n/a	n/a	n/a	n/a	6.1
UBS Defensive Investment Fund – New from 1 July 2005	Jul-05	n/a	n/a	n/a	n/a	n/a	n/a	1.9
Fixed Interest Portfolio								
Citigroup Australian Bond Trust	Mar-03	3.6	3.0	n/a	n/a	n/a	n/a	2.7
TOWER Australia Fixed Interest Fund	Apr-03	2.8	2.2	n/a	n/a	n/a	n/a	2.3
UBS Diversified Fixed Income Fund – New from 1 July 2005	Jul-05	n/a	n/a	n/a	n/a	n/a	n/a	0.5
Balanced Portfolio								
Colonial First State Wholesale Balanced Fund	Mar-03	10.9	6.3	n/a	n/a	n/a	n/a	7.9
Perpetual's Wholesale Diversified Growth Fund	Apr-03	11.0	7.7	n/a	n/a	n/a	n/a	8.2
TOWER Australia Conservative Balanced Fund – New from July 2005	Jul-03	n/a	n/a	n/a	n/a	n/a	n/a	2.9
Property Portfolio								
BT Wholesale Property Investment Fund	Apr-03	12.0	19.3	n/a	n/a	n/a	n/a	10.3
Deutsche Paladin Property Securities Fund	Mar-03	13.7	20.2	n/a	n/a	n/a	n/a	10.8

Investment Option	Unit Inception Date	Yearly Returns (%)					Compound Average Returns (% pa)	
		Year to 30/09/2005	Year to 30/09/2004	Year to 30/09/2003	Year to 30/09/2002	Year to 30/09/2001	5 Years to 30/09/2005	Since Inception to 30/09/2005
International Shares Portfolio								
Credit Suisse Asset Management International Shares Fund – New from 1 July 2005	Jul-05	n/a	n/a	n/a	n/a	n/a	n/a	2.3
Perpetual Wholesale International Fund	May-03	5.7	7.5	n/a	n/a	n/a	n/a	5.7
Platinum International Fund	Apr-03	10.5	7.1	n/a	n/a	n/a	n/a	12.7
TOWER Australia International Shares Fund – New from 1 July 2005	Jul-05	n/a	n/a	n/a	n/a	n/a	n/a	4.4
Vanguard International Shares Index Fund – New from 1 July 2005	Jul-05	n/a	n/a	n/a	n/a	n/a	n/a	0.9

Important Notes

Past performance is no guarantee of future performance.

Performance returns are net of tax, management/administration fee and investment management fees.

The Unit Inception Date shows when the unit was established in the product.

When an investment option has an Inception Date less than 12 months old, the Since Inception performance figure is the actual (i.e. non-annualised) investment return achieved to the date shown.

TOWER Australia Capital Assured Portfolio Crediting Rates

For the portion of members' funds invested in the TOWER Australia Capital Assured Fund, a declared crediting rate and interim crediting rate are determined each year at the crediting date. These crediting rates are net of tax, management/administration fee and investment management fees.

The declared crediting rate is applied to the members' Capital Assured Fund account balances at the crediting date in respect of the year preceding the crediting date. The declared crediting rate is guaranteed never to be negative.

Payments made to members in respect of the portion of funds invested in the TOWER Australia Capital Assured Fund during the period between the application of declared crediting rates from one year to the next have the prevailing interim crediting rate applied to them. This is achieved by applying the prevailing interim crediting rate to the account balance and to any net contributions received from the date they are received, and allowing for any withdrawals made during the period, to the benefit payment date. The interim crediting rate applied during this period can be changed retrospectively at any time, but is guaranteed never to be negative.

Terminated Options

Terminated Options	Unit Inception Date	Yearly Returns (%)					Compound Average Returns (% pa)	
		Year to 30/09/2005	Year to 30/09/2004	Year to 30/09/2003	Year to 30/09/2002	Year to 30/09/2001	5 Years to 30/09/2005	Since Inception to termination date
Cash Portfolio								
The Portfolio Service - Cash Management fund – Terminated on 31 August 2005	May-03	3.8	2.1	n/a	n/a	n/a	n/a	2.9
Capital Stable Portfolio								
The Portfolio Service - Conservative Outcomes Fund – Terminated on 31 August 2005	Jun-03	5.3	4.8	n/a	n/a	n/a	n/a	4.4
The Portfolio Service - Moderate Outcomes Fund – Terminated on 31 August 2005	May-03	6.8	6.2	n/a	n/a	n/a	n/a	5.7
Fixed Interest Portfolio								
Macquarie Master Fixed Interest Fund – Terminated on 31 August 2005	Apr-03	2.6	2.0	n/a	n/a	n/a	n/a	1.8
Absolute Return Portfolio								
Deutsche Strategic Value Fund – Terminated on 23 August 2005	May-03	7.8	3.4	n/a	n/a	n/a	n/a	3.8
Balanced Portfolio								
Merrill Lynch Wholesale Balanced Fund – Terminated on 31 August 2005	May-03	24.9	8.4	n/a	n/a	n/a	n/a	10.2
The Portfolio Service - Balanced Outcomes fund – Terminated on 31 August 2005	Mar-03	9.1	7.1	n/a	n/a	n/a	n/a	8.6
Property Portfolio								
The Portfolio Service - Traded Properties fund – Terminated on 31 August 2005	Feb-03	12.6	21.3	n/a	n/a	n/a	n/a	13.3
Growth Portfolio								
The Portfolio Service - Enhanced Outcomes Fund – Terminated on 31 August 2005	May-03	11.7	8.5	n/a	n/a	n/a	n/a	9.4
The Portfolio Service - Hi-Growth Outcomes fund – Terminated on 31 August 2005	Apr-03	14.2	9.3	n/a	n/a	n/a	n/a	10.8

Terminated Options	Unit Inception Date	Yearly Returns (%)					Compound Average Returns (% pa)	
		Year to 30/09/2005	Year to 30/09/2004	Year to 30/09/2003	Year to 30/09/2002	Year to 30/09/2001	5 Years to 30/09/2005	Since Inception to termination date
Australian Shares Portfolio								
Investors Mutual Future Leaders Fund – Terminated on 31 August 2005	Apr-03	15.5	16.3	n/a	n/a	n/a	n/a	17.0
Macquarie Master Australian Enhanced Equities Fund – Terminated on 31 August 2005	May-03	20.7	13.5	n/a	n/a	n/a	n/a	16.5
Merrill Lynch Wholesale Australian Share Fund (<i>formerly Merrill Lynch Wholesale Imputation Fund</i>) – Terminated on 31 August 2005	May-03	13.2	14.2	n/a	n/a	n/a	n/a	19.6
The Portfolio Service - Australian Emerging Managers Fund – Terminated on 31 August 2005	May-03	18.9	12.3	n/a	n/a	n/a	n/a	15.8
The Portfolio Service - Australian Majors Fund – Terminated on 31 August 2005	Apr-03	22.4	14.2	n/a	n/a	n/a	n/a	16.9
International Shares Portfolio								
Citigroup Emerging Market Trust – Terminated on 31 August 2005	May-03	19.3	6.0	n/a	n/a	n/a	n/a	16.5
The Portfolio Service - Global Foundations Fund – Terminated on 31 August 2005	May-03	9.6	4.1	n/a	n/a	n/a	n/a	7.0
TOWER Australia Global Responsibility Fund – Terminated on 5 August 2005	May-04	5.9	5.2	n/a	n/a	n/a	n/a	3.9

Important Notes

Past performance is no guarantee of future performance.

Performance returns are net of tax, management/administration fee and investment management fees.

The Unit Inception Date shows when the unit was established in the product.

When an investment option has an Inception Date less than 12 months old, the Since Inception performance figure is the actual (i.e. non-annualised) investment return achieved to the date shown.

Investment Options	Unit Inception Date	Yearly Returns (%)					Compound Average Returns (% pa)	
		Year to 30/09/2005	Year to 30/09/2004	Year to 30/09/2003	Year to 30/09/2002	Year to 30/09/2001	5 Years to 30/09/2005	Since Inception to 30/09/2005
Australian Shares Portfolio (cont)								
Eley Griffiths Group Small Companies Fund – New from 1 July 2005	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Investors Mutual Australian Share Fund – New from 1 July 2005	Jul-05	n/a	n/a	n/a	n/a	n/a	n/a	3.2
IOOF/Perennial Wholesale Value Shares Trust	Apr-03	31.4	18.1	n/a	n/a	n/a	n/a	25.2
Perpetual's Wholesale Industrial Fund	Apr-03	26.3	17.1	n/a	n/a	n/a	n/a	21.4
Schroder Wholesale Australian Equity Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TOWER Australia Australian Shares Fund	Jun-03	26.6	20.1	n/a	n/a	n/a	n/a	23.4
TOWER Australia Ethical Growth Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Vanguard Australian Shares Index Fund - New from 1 July 2005	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
International Shares Portfolio								
Credit Suisse International Shares Fund - New from 1 July 2005	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Perpetual Wholesale International Fund	May-03	6.7	n/a	n/a	n/a	n/a	n/a	6.5
Platinum International Fund	Apr-03	12.8	7.1	n/a	n/a	n/a	n/a	11.7
TOWER Australia International Shares Fund - New from 1 July 2005	Aug-05	n/a	n/a	n/a	n/a	n/a	n/a	0.7
Vanguard International Shares Index Fund - New from 1 July 2005	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Important Notes

Past performance is no guarantee of future performance.

Performance returns are net of management/administration fee and investment management fees.

The Unit Inception Date shows when the unit was established in the product.

When an investment option has an Inception Date less than 12 months old, the Since Inception performance figure is the actual (i.e. non-annualised) investment return achieved to the date shown.

TOWER Australia Capital Assured Fund Crediting Rates

For the portion of members' funds invested in the TOWER Australia Capital Assured Fund, a declared crediting rate and interim crediting rate are determined each year at the crediting date. These crediting rates are net of tax, management/administration fee and investment management fees.

The declared crediting rate is applied to the members' Capital Assured Fund account balances at the crediting date in respect of the year preceding the crediting date. The declared crediting rate is guaranteed never to be negative.

Payments made to members in respect of the portion of funds invested in the TOWER Australia Capital Assured Fund during the period between the application of declared crediting rates from one year to the next have the prevailing interim crediting rate applied to them. This is achieved by applying the prevailing interim crediting rate to the account balance and to any net contributions received from the date they are received, and allowing for any withdrawals made during the period, to the benefit payment date. The interim crediting rate applied during this period can be changed retrospectively at any time, but is guaranteed never to be negative.

Investment Options	Unit Inception Date	Yearly Returns (%)					Compound Average Returns (% pa)	
		Year to 30/09/2005	Year to 30/09/2004	Year to 30/09/2003	Year to 30/09/2002	Year to 30/09/2001	5 Years to 30/09/2005	Since Inception to termination date
Australian Shares Portfolio								
Investors Mutual Future Leaders Fund – Terminated on 31 August 2005	Apr-03	18.9	18.7	n/a	n/a	n/a	n/a	18.9
Macquarie Master Australian Enhanced Equities Fund – Terminated on 31 August 2005	May-03	23.2	n/a	n/a	n/a	n/a	n/a	21.9
Merrill Lynch Wholesale Australian Share Fund (formerly Merrill Lynch Wholesale Imputation Fund – Terminated on 31 August 2005	May-03	27.7	n/a	n/a	n/a	n/a	n/a	25.6
The Portfolio Service - Australian Emerging Managers Fund – Terminated on 31 August 2005	May-03	23.6	n/a	n/a	n/a	n/a	n/a	22.0
The Portfolio Service - Australian Majors Fund – Terminated on 31 August 2005	Apr-03	26.1	n/a	n/a	n/a	n/a	n/a	22.7
International Shares Portfolio								
Citigroup Emerging Market Trust – Terminated on 31 August 2005	May-03	23.5	n/a	n/a	n/a	n/a	n/a	19.0
The Portfolio Service - Global Foundations Fund – Terminated on 31 August 2005	May-03	10.8	n/a	n/a	n/a	n/a	n/a	8.7
TOWER Australia Global Responsibility Fund – Terminated on 5 August 2005	May-04	n/a	n/a	n/a	n/a	n/a	n/a	4.1

Important Notes

Past performance is no guarantee of future performance.

Performance returns are net of management/administration fee and investment management fees.

The Unit Inception Date shows when the unit was established in the product.

When an investment option has an Inception Date less than 12 months old, the Since Inception performance figure is the actual (i.e. non-annualised) investment return achieved to the date shown.

Asset Allocations

Asset allocations as at 30 September for each of the investment options (rounded to the nearest whole percentage) are shown below.

Current asset allocation benchmarks and ranges and actual asset allocations may be obtained from your Financial Adviser, or by calling our Customer Service Consultants on 1800 101 014 or visiting www.arcmt.com.au

Capital Guaranteed Portfolio

TOWER Australia Capital Assured Fund		
30 September	2005	2004
Australian Shares	8%	11%
International Shares	3%	4%
Property	11%	9%
Australian Fixed Interest	39%	40%
International Fixed Interest	21%	20%
Cash	18%	16%

Cash Portfolio

TOWER Australia Cash Fund		
30 September	2005	2004
Cash	100%	n/a

Fixed Interest Portfolio

Citigroup Australian Bond Trust		
30 September	2005	2004
Australian Fixed Interest	98%	95%
Cash	2%	5%

TOWER Australia Fixed Interest Fund		
30 September	2005	2004
Australian Fixed Interest	100%	100%

UBS Diversified Fixed Income Fund		
30 September	2005	2004
Australian Fixed Interest	51%	n/a
International Fixed Interest	34%	n/a
Cash	15%	n/a

Capital Stable Portfolio

Perpetual's Wholesale Conservative Growth Fund		
30 September	2005	2004
Australian Shares	19%	20%
International Shares	5%	5%
Property	5%	4%
Australian Fixed Interest	39%	38%
Cash	32%	33%

TOWER Australia Security Focus Fund		
30 September	2005	2004
Australian Shares	16%	17%
International Shares	10%	8%
Property	5%	6%
Australian Fixed Interest	33%	34%
International Fixed Interest	10%	9%
Cash	26%	26%

UBS Defensive Investment Fund		
30 September	2005	2004
Australian Shares	17%	n/a
International Shares	23%	n/a
Australian Fixed Interest	29%	n/a
International Fixed Interest	3%	n/a
Cash	28%	n/a

Balanced Portfolio

Colonial First State Wholesale Balanced Fund		
30 September	2005	2004
Australian Shares	25%	26%
International Shares	20%	19%
Property	5%	5%
Australian Fixed Interest	48%	41%
Cash	2%	9%

Perpetual's Wholesale Diversified Growth Fund		
30 September	2005	2004
Australian Shares	27%	33%
International Shares	19%	19%
Property	5%	5%
Australian Fixed Interest	30%	32%
Cash	19%	11%

TOWER Australia Conservative Balanced Fund		
30 September	2005	2004
Australian Shares	28%	n/a
International Shares	23%	n/a
Property	17%	n/a
Australian Fixed Interest	6%	n/a
International Fixed Interest	14%	n/a
Cash	12%	n/a

Growth Portfolio

TOWER Australia Balanced Growth Fund		
30 September	2005	2004
Australian Shares	39%	40%
International Shares	24%	19%
Property	7%	10%
Australian Fixed Interest	15%	17%
International Fixed Interest	7%	5%
Cash	8%	9%

Colonial First State Wholesale Diversified Fund		
30 September	2005	2004
Australian Shares	35%	32%
International Shares	27%	30%
Property	7%	7%
Australian Fixed Interest	16%	17%
International Fixed Interest	3%	4%
Cash	12%	10%

ING Wholesale Managed Growth Trust		
30 September	2005	2004
Australian Shares	36%	38%
International Shares	28%	25%
Property	11%	9%
Australian Fixed Interest	7%	16%
International Fixed Interest	5%	3%
Cash	13%	9%

Perpetual's Wholesale Balanced Growth Fund		
30 September	2005	2004
Australian Shares	43%	46%
International Shares	24%	23%
Property	5%	6%
Australian Fixed Interest	19%	20%
Cash	9%	5%

Schroder Balanced Fund Standard Class		
30 September	2005	2004
Australian Shares	37%	35%
International Shares	20%	23%
Property	2%	3%
Australian Fixed Interest	20%	17%
International Fixed Interest	6%	4%
Cash & Other	15%	18%

TOWER Australia Growth Maximiser Fund		
30 September	2005	2004
Australian Shares	42%	40%
International Shares	33%	29%
Property	8%	12%
Australian Fixed Interest	7%	9%
International Fixed Interest	7%	5%
Cash	3%	5%

UBS Balanced Investment Fund		
30 September	2005	2004
Australian Shares	42%	n/a
International Shares	31%	n/a
Australian Fixed Interest	14%	n/a
International Fixed Interest	2%	n/a
Cash	11%	n/a

Property Portfolio

BT Wholesale Property Investment Fund		
30 September	2005	2004
Property	98%	98%
Cash	2%	2%

Deutsche Paladin Property Securities Fund		
30 September	2005	2004
Property	99%	99%
Cash	1%	1%

Australian Shares Portfolio

Advance Sharemarket Fund – Wholesale Units		
30 September	2005	2004
Australian Shares	95%	95%
Cash	5%	5%

Colonial First State Wholesale Imputation Fund		
30 September	2005	2004
Australian Shares	99%	99%
Cash	1%	1%

Eley Griffiths Small Companies Fund		
30 September	2005	2004
Australian Shares	90%	n/a
Cash	10%	n/a

Investors Mutual Australian Share Fund		
30 September	2005	2004
Australian Shares	90%	n/a
Cash	10%	n/a

IOOF/Perennial Wholesale Value Shares Trust		
30 September	2005	2004
Australian Shares	93%	95%
Cash	7%	5%

Perpetual's Wholesale Industrial Fund		
30 September	2005	2004
Australian Shares	93%	95%
Property	2%	2%
Cash	5%	3%

Schroder Wholesale Australian Equity Fund		
30 September	2005	2004
Australian Shares	98%	98%
Cash	2%	2%

TOWER Australia Australian Shares Fund		
30 September	2005	2004
Australian Shares	100%	100%

TOWER Australia Ethical Growth Fund		
30 September	2005	2004
Australian Shares	100%	100%

Vanguard Australian Shares Index Fund		
30 September	2005	2004
Australian Shares	100%	n/a

International Shares Portfolio

Credit Suisse Asset Management International Shares Fund		
30 September	2005	2004
International Shares	98%	n/a
Cash	2%	n/a

Perpetual's Wholesale International Share Fund		
30 September	2005	2004
International Shares	97%	97%
Cash	3%	3%

Platinum International Fund		
30 September	2005	2004
International Shares	89%	86%
Cash	11%	14%

TOWER Australia International Shares Fund		
30 September	2005	2004
International Shares	100%	n/a

Vanguard International Shares Index Fund		
30 September	2005	2004
International Shares	100%	n/a

Important Changes to Superannuation

Details of recent changes and proposals that may affect retirement measures and your superannuation entitlements are set out below. The proposals were outlined by the Government in the May 2005 Federal Budget.

This information does not take account of your individual circumstances and you should seek tax and/or financial advice from a suitably qualified person before acting on this information.

Superannuation Choice of Fund

Choice of Fund provides eligible employees with the right to choose the superannuation fund which will receive their superannuation guarantee contributions, with effect from 1 July 2005.

Where an employee has not chosen a fund, contributions will be made to a fund chosen by the employer provided the fund is a complying regulated superannuation fund and generally complies with the requirement to offer insurance in respect of death.

Greater Access to Superannuation Benefits for People Below Age 65

Generally, a person who reaches preservation age but is below age 65 must retire or leave employment before they can access their superannuation benefits.

To cater for increasingly likely situations where people may choose to reduce their work hours as they get older, the Government has allowed that, from 1 July 2005, people who have not retired will be able to access their superannuation as a non-commutable allocated annuity, non-commutable allocated pension, non-commutable pension or non-commutable annuity once they reach their preservation age.

This measure allows more flexibility as people can supplement their income whilst they continue to work.

Abolishment of the Superannuation Surcharge

The Government has abolished the surcharge payable on individuals' contributions and relevant termination payments with effect from 1 July 2005 (however surcharge will still apply in respect of the 2004/05 and earlier financial years). This measure will simplify the superannuation system and will remove one of the barriers to saving for retirement.

Proposed Superannuation Splitting Between Spouses

The Government has proposed that members of accumulation superannuation funds may split future superannuation contributions with their spouse from 1 January 2006. This will allow low income or non working spouses to accumulate their own superannuation and provides more choices on how they can prepare for their retirement.

Under this proposal, each spouse may have access to their own Reasonable Benefit Limit (RBL) and Eligible Termination Payment (ETP) low rate threshold.

Compulsory Cashing of Superannuation Benefits for People Aged 65 to 74

Previous Rule	Current Rule	What this means for you
A superannuation fund was required to pay out the benefits of members aged 65 to 74 who were not working at least 10 hours in each week.	A superannuation fund is required to pay out the benefits of members aged 65 to 74 if they are not gainfully employed for at least 240 hours (i.e. on a full-time, part-time or casual basis) during the financial year that ended on the last occurring 30 June. This rule applied from 1 July 2005.	If you retire and are aged 65 to 74 you may be able to have up to an additional year to keep your money invested in superannuation, which is a concessional taxed environment.

Compulsory Cashing of Superannuation Benefits for People Aged 75 and Over

Previous Rule	Current Rule	What this means for you
People aged 75 and over could not keep their money in the accumulation phase of superannuation unless they were working 30 hours each week. This allowed people to use superannuation for estate planning purposes.	People aged 75 will not be allowed to remain in the accumulation phase of superannuation. This rule applied from 1 July 2004. One exception to this rule is that a member's post-65 employer-financed benefits will not need to be paid out where the member is aged 75 and over but is still receiving superannuation contributions under an industrial award.	You need to cash out your superannuation or commence a retirement income stream if you are aged 75 and over.

Indexation of Superannuation Thresholds for the 2005/2006 Financial Year

Maximum Deductible Contribution (MDC) Limit

The age-based limits applying to the amount of tax deductible contributions which may be made to superannuation by, or on behalf of, a Member for the 2005/2006 financial year are:

Age of Member	MDC Limit
Under 35	\$14,603*
35 – 49	\$40,560*
50 and over	\$100,587*

* indexed as at 1 July each year

Superannuation Guarantee

For the 2005/2006 financial year, the Superannuation Guarantee (SG) is 9% of each employee's earnings base (maximum contribution base \$33,720* per quarter), payable by the dates shown below.

Quarterly Period	Due Date for SG Contributions
1 July – 30 September	28 October
1 October – 31 December	28 January
1 January – 31 March	28 April
1 April – 30 June	28 July

* indexed as at 1 July each year

Reasonable Benefit Limit (RBL)

RBLs for the 2005/2006 financial year are as follows:

Lump Sum RBL	\$648,946*
Pension RBL	\$1,297,886*

* indexed as at 1 July each year

Tax on Post-June 1983 Component of Lump Sum Withdrawals

For the 2005/2006 financial year, the tax rates applying to the post-June 1983 component of lump sum benefit payments are as follows:

Age	Rate (taxed component)	Rate (untaxed component)
Under 55	20% [#]	30% [#]
55 and over:		
Up to \$129,751*	Nil	15% [#]
Excess over \$129,751*	15% [#]	30% [#]

[#] plus Medicare levy

* indexed as at 1 July each year

Bona Fide Redundancy or Early Retirement Scheme Payments

For amounts paid on or after 1 July 1994 as a bona fide redundancy payment or in accordance with an approved early retirement scheme, the following amounts apply for the 2005/2006 financial year:

Amount	Tax Rate
First \$6,491* plus \$3,246* for each completed year of service	Nil
Balance of payment	Taxed as an ETP

* indexed as at 1 July each year

