

YOUR FUTURE



AUSTRALIAN PUBLIC SUPERANNUATION FUND
ABN 76 829 356 693 - Silver

February 2005



Another 6 months of strong performance

Dominated by the significant gains in Australian shares, investment markets for the first six months of the financial year have again delivered very strong performance.

Growth based portfolios (portfolios with a significant share and property allocation) have delivered very strong returns of close to 10% for the six months ending December 2004. Once again, this reinforces the need for any medium to long term investor to have strong share weightings in their investment portfolio. The Australian Public Superannuation Fund's High Growth strategy delivered investment returns of 9.1%* for the six months to December 2004, with the Diversified and Balanced strategies also performing well, returning 8.0%* and 6.8%* respectively.

The more defensive portfolios (that is, those with significant allocations to bonds and cash) have also produced positive returns. This is due to the fact that interest rate movements have been very limited in the July - December 2004 period. For this period, your Superannuation Fund's Capital Guarded strategy returned a solid 5.6%*, with Cash returning 2.1%*.

Where to from here?

Shares and property have performed well over the last few years as the very good period of economic growth has translated into good corporate earnings, and strong employment growth has allowed households to maintain a high level of spending.

The 'cloud' on the horizon, however, is whether investment markets will be able to continue to perform during a period when interest rates and inflation rates are beginning to show signs of upward momentum.

All in all, the second half of the 2004/05 financial year is unlikely to repeat the particularly strong results of the first half of the year.

This does not mean that we expect that markets will have a significant reversal - more so, that investors should expect more subdued investment returns than those that have been earned so far. The next financial year (2005/06) may be much more challenging for investors after the last two good years.

* All investment returns are after tax and fees.

From the chair



I am delighted to advise that your Fund's performance for the July to December 2004 period was strong. This result was achieved by the major gains made through

our investment strategies with considerable focus in shares and property. Also, our performance within the cash and fixed interest sectors was solid.

As a result of the Choice of Superannuation Funds legislation coming into effect from 1 July 2005, you will be able to choose the fund you want your superannuation contributions to be paid into. We are currently preparing a 'choice' communication program and will also be running "Choice of Fund" seminars to assist you in understanding all of the issues and implications.

Please feel free to call Member Services on 1800 067 059 if you have any queries about your Fund or any of the services we can provide you.

I look forward to continuing to serve you and thank you for your ongoing support.

Bernie Riordan
CHAIR
Chifley Financial Services Limited

Financial Planning is for everyone

Financial Planning is a good idea for everyone and, contrary to what many people think, it's not just for the wealthy. It doesn't matter how far along life's path you are or what rewards you want along the way, most people can benefit from Financial Planning advice.

Our Financial Planning takes a whole-of-life approach - helping you to achieve your various short term and long term goals and ensuring all aspects of your financial well-being are considered.

As a member of the APS Fund, you have access to qualified and experienced Financial Planners through Chifley Financial Services Limited (Chifley).

Chifley was established in 1991 by Unions NSW (previously the Labor Council of NSW) to help Australians plan a better financial future for themselves and their families. In 2001, the Local Government and Energy Industries Superannuation Schemes each acquired an equity interest in Chifley. These two Schemes, together with Unions NSW, now own equal shares in Chifley.

Because of our unique history and ownership, Chifley's primary business driver is not profit, but respect for the needs of our clients. While still conscious of the need to be financially viable, we

believe it is equally important to provide clients with a cost effective and relevant range of products and services.

For this reason, we provide you with access to professional financial advice to help you get the most from your money.

Our Financial Planners can help you by tailoring their advice to suit your needs. Some of the ways they can help you include:

- Creating a savings plan;
- Implementing investment strategies;
- Helping you to legally minimise your tax;
- Providing retirement planning advice;
- Helping protect your assets from the effects of inflation;
- Offering insurance advice; and
- Providing security for your dependants through estate planning.

In addition, as a member of the APS Fund, there are no charges for appointments or financial plans. Our Financial Planners are salaried employees and do not receive commissions. If you would like to meet with one of our Financial Planners or you have a question regarding the services we can provide you with, please call Member Services on 1800 067 059.

Account Management team at your service

Whilst your Fund has a dedicated Member Services telephone service, making it easy to make any enquiry you have, there's another, far more personal way for you to get face-to-face with the superannuation fund that's working with you.

Our team of Account Managers conduct regular workplace educational visits to help keep you informed of developments affecting your superannuation and will also meet with you one-on-one to discuss any queries you have. They also hold seminars on pre-retirement planning.

Further, unlike many other financial institutions in the market that are closing regional branches, we now

have more than half a dozen shopfront locations across the state.

Why did we make the decision to open regional offices? Quite simply, we wanted to provide a more equitable and personal service to all APS Fund members state-wide.

Our local branch staff can provide you with information and answer questions that relate to APS Fund queries, the complexities of superannuation, and other products and services that are available such as voluntary insurance, Financial Planning and home loans.

If you would like to arrange a one-on-one consultation with an Account Manager,

call Member Services on 1800 067 059. Or alternatively, visit one of our branches nearest to you:

Sydney - 28 Margaret Street
Lismore - 81-83 Molesworth Street

Newcastle - 235 Darby Street, Cooks Hill

Orange - 187 Summer Street

Wagga Wagga - 2/209 Baylis Street

Wollongong - Shop 2 & 3/60 Burelli Street

The following offices are staffed one day per month so bookings are essential; call Member Services on 1800 067 059 to make your booking.

Albury - 429 Swift Street
Goulburn - 148 Auburn Street

Help yourself with a low-interest home loan from Chifley

- \$0 Application fee
- \$0 Monthly fees
- Low interest rates

As Chifley's purpose is to help Australians secure their financial future, Chifley Home Loans was set up to provide members with a home loan that represents true value. In other words, we charge no application or monthly account keeping fees and offer a low interest rate product option.

When you 'come home to Chifley', you will be pleased to find that we have taken all the hard work out of getting and maintaining your home loan. We offer you a choice of home loans and ensure all our documentation provides you with information that is straightforward and easy to understand.

We've even made it easy to compare how our home loans stack up:

Application Fee	\$0*
Monthly Account Keeping Fee	\$0
Split Loan Fee	\$0
Electronic Redraw Fee	\$0
Redraw facility	Yes
Maximum Term	30 years**
Maximum Loan	up to 97% of property value**

So, help yourself to a Chifley home loan today by calling us on 1800 800 002.

* All fees and charges including full details of the matters set out below will be disclosed in any loan contract. Loan setup: There will be additional costs and charges and the amount payable will depend on whether or not the loan proceeds. Although there is no loan document preparation fee, some charges such as valuation fees and costs charged by the lender's solicitors are payable. These charges may be non-refundable should the loan be approved and not proceeded with. Early repayment: An early repayment fee may be payable.

** With the Home Loan Plus product only (conditions apply).

Chifley Home Loans are provided through an agreement with AMS Limited (AMS) which is responsible for arranging of loans and product development. Effective 1 December 2003, AMS has appointed as its agent AFIG Wholesale Pty Limited (AFIG) as Mortgage Servicer to manage the processing and administration functions. Chifley Financial Services Limited (ABN 75 053 704 706) does not guarantee the obligations of AMS Limited or any of its appointed agents (i.e. AFIG). Chifley Financial Services Limited is an Australian Financial Services Licensee (AFSL 231148).

Choice of Fund

The Government's introduction of 'Choice of Fund' is about providing Australians with the opportunity to have more control over where their superannuation savings are invested. From 1 July 2005, when the legislation takes effect, you will have a choice as to which superannuation fund your employer pays compulsory superannuation on your behalf. This will allow you to choose a fund which suits you.



As a member of the Australian Public Superannuation Fund, you belong to a superannuation fund that is specially run with your needs in mind. Accordingly, we offer you:

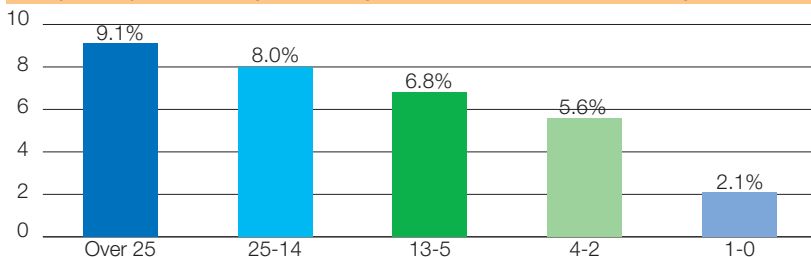
- Low fees;
- Informative and free wealth creation and retirement planning seminars;
- Home Loan service;
- Face-to-face contact with our superannuation experts; and
- Long-term Financial Planning advice.

And because we have regional offices throughout NSW, we're everywhere you need us to be, with helpful and friendly staff to answer all your queries.

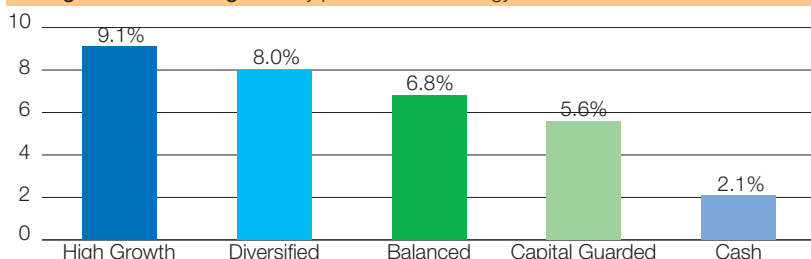
If you have any questions about your Fund, please don't hesitate to contact Member Services on 1800 067 059.

Australian Public Superannuation Fund's half yearly returns for July-December 2004

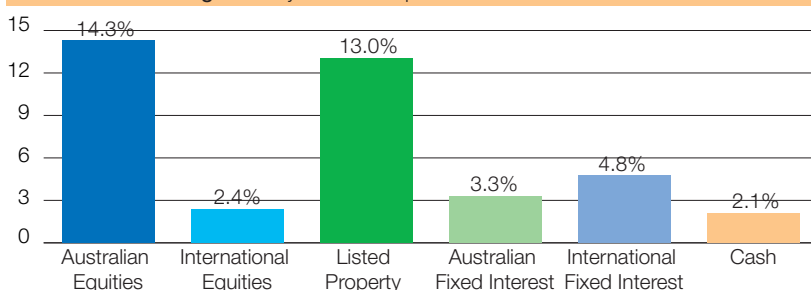
LifeCycle Objective Management Program - by number of years remaining to retirement



Managed Portfolio Program - by performance strategy



Member Choice Program - by investment pool



Free seminars

Pre-retirement planning

It's a fact that we are now living longer, which means that your retirement period could last up to thirty years or even longer. This makes careful planning for your retirement even more vital as you will need to make sure your savings last the distance.

Through Chifley, we offer free seminars focusing on APS Fund members that are approaching retirement. The schedule for the first half of the year is listed below:

Date	Location
12 February	Wollongong
19 February	Sydney
12 March	Bankstown
15 March	Muswellbrook
15 March	Young
16 March	Wagga Wagga
18 March	Tumut
5 April	Gunnedah
5 April	Merimbula
6 April	Inverell
6 April	Moruya
7 April	Armidale
7 April	Nowra
12 April	Cronulla
14 April	Wyong
4 May	Wollongong
10 May	Newcastle
14 May	Hornsby

Wealth creation

APS Fund members are also able to benefit from our free wealth creation planning seminars which are intended to help people improve their current financial circumstances as well as plan for a more secure future. Whether you want help to get the best possible value from the financial resources available to you, or you want to protect your assets and enhance your current financial position, these seminars will be of great assistance.

Date	Location
22 February	Sydney Metro
14 March	Queanbeyan
15 March	Goulburn
16 March	Wollongong
12 April	Tamworth
13 April	Armidale
14 April	Coffs Harbour
9 May	Orange
10 May	Forbes
11 May	Cowra
12 May	Bathurst

For a full listing of the year's seminars, visit www.chifley.com or call our Member Services team on 1800 067 059 to book a place at one of the upcoming seminars.

How have investment markets performed?

By Max McKeough, Financial Markets Analyst, Deutsche Asset Management, December 2004

Australian shares

The Australian sharemarket produced an outstanding return for 2004 as the benchmark index posted a series of record highs. Market gains were broadly based and company earnings were the strongest in over a decade. Support was provided by buoyant domestic demand, booming commodity prices and a relatively low, stable interest rate background. Measured by the S&P/ASX200 Accumulation Index, the market returned 28%, the best performer among major global markets over the period, compared in local currency terms.

International shares

International sharemarkets generally performed well, stated in their own currencies, after a lengthy period of negative annual performance following collapse of the "high tech bubble" and rising global economic and political uncertainties. Most major markets recorded robust gains, especially in the December quarter. Measured by the benchmark Morgan Stanley Capital International (MSCI) World Index, excluding Australia, the markets produced an Australian dollar return of 9.9%. This figure is adjusted for



the currency's 4.0% appreciation against the key US dollar and its slight decline against most other major currencies.

Listed property trusts

Merger and acquisition activity dominated in a year in which the sector continued its strong run of excellent returns to be the best performing asset class for the fourth time in the past five years. Measured by the benchmark S&P/ASX300 Property Accumulation Index, the 32.2% total return for the sector outperformed the broader sharemarket index by more than 4.0%.

Direct property

Australian commercial property markets, notably the retail and industrial sectors, have benefited from the prolonged period of solid economic growth. The more recent global economic upturn has translated into

stronger tenant demand in the lagging CBD office sector. Direct real estate returns were 11.2% in the 12 months to September 2004, measured by the Property Council of Australia's Composite Property Index.

Fixed interest securities

A year dominated by periodic concerns about economic growth, potential inflationary pressures and a rising US interest rate cycle meant a mixed year for fixed interest markets. Australian government bond yields declined (bond prices rose) following the trend in US bond yields at times falling below the current Australian official cash rate (5.25%). The market returned almost 7.0% compared with the 5.6% return on short-dated (cash) investments. The Australian market again underperformed the 8.9% return on global fixed interest with the associated foreign currency exposures eliminated (fully hedged) at all times.

This economic analysis is for general information only, and Deutsche Asset Management specifically disclaims any responsibility for any use of the information contained herein by any third party. In preparing this publication, we have obtained information from sources we believe to be reliable, but do not offer any representations or guarantees as to its accuracy or completeness. This publication is only intended for the information of professional, business or experienced investors. In preparing this report, Deutsche Bank and its related bodies corporate did not take into account the investment objectives, financial situations and particular needs of any particular person.

This document was prepared for the exclusive use of members of the Australian Public Superannuation Fund by Chifley Financial Services Limited (ABN 75 053 704 06) as the Approved Trustee of the Australian Public Superannuation Fund and an Australian Financial Services Licensee (AFSL 231148).

Please note that the information contained herein is of a general nature only. It has not been prepared taking into account your particular investment objectives, financial situation and particular needs. You should assess whether the advice is appropriate to your individual investment objectives, financial situation and particular needs. Before making an investment decision, you should seek the assistance of a professional adviser.