

Socially Responsible option

The Board offers members a Socially Responsible investment strategy through the Suncorp Investment Management Limited (Suncorp) Ethical Balanced Trust. As this is a Suncorp product, you should read the attached Information Memorandum from Suncorp to fully understand the features of this investment strategy, before making your decision to invest.

The attached document is an extract from the full Suncorp Investment Management Trusts Information Memorandum, issued June 2006 (pages 20-21).

Investment objective

The investment objective for the Socially Responsible investment strategy is CPI + 3% p.a. over rolling 3 year periods. CPI is inflation, as measured by the change in the Consumer Price Index.

Fees

The administration fee charged by LG Super was 0.13% p.a. for the 2005/2006 financial year. For 2006/2007, it is estimated this fee will not change.

The investment management fee for this investment strategy is charged by Suncorp, and was 0.90% p.a. for the 2005/2006 financial year. This brings the total fee for 2005/2006 to 1.03% p.a. These fees, along with any tax payable, are already deducted from the earning rate you receive.

Ethical Balanced Trust

Investment objective

The Trust aims to maximise the return within each of the asset classes below against their respective benchmarks, and to manage the portfolio within the asset class ranges specified below. SIM seeks to achieve this investment objective by following the investment strategy outlined below.

Investment strategy

SIM's investment strategy focuses on our wish to make a difference through actively investing funds in companies that we believe have a commitment to socially responsible operations and that also satisfy our rigorous requirements for consistent excess returns based on long-term fundamental valuations.

Once the fundamental soundness of an investment has been established, it is then assessed on the basis of the Ethical Criteria listed in the next section. From this universe of fundamentally sound, ethically suitable investments the final investment portfolio is constructed.

All investments are monitored to ensure that any changes to operations that may affect the company's eligibility for inclusion in or exclusion from the Ethical Balanced Trust are readily identified.

The Trust invests in Australian and international equities, cash, Australian fixed interest and Australian listed property trusts.

The international equities portfolio is managed by US based Calvert Group. Calvert Group has a closely aligned investment strategy and ethical charter to the current management style of the Ethical Balanced Trust.

Calvert Group has a long history in ethical fund management and demonstrate a rigorous adherence to their ethical charter.

The Calvert Ethical Criteria can be viewed on their website www.calvert.com.

Ethical Criteria

SIM seeks to avoid any investment in a company which is considered to:

- Have a poor environmental record
- Be involved in the production and manufacture of tobacco products
- Encourage gambling
- Be involved in the production and manufacture of alcohol
- Be involved in the production or sale of uranium
- Be involved in the production of contraceptive devices
- Engage in the manufacture of armaments
- Have exhibited poor safety records with respect to humans and the environment and the inhabitants of that environment
- Have failed to consult on Australian Native Title Issues
- Operate predominantly in countries with poor human rights histories or companies that condone human rights exploitation, or discrimination on the basis of race, sex or religion
- Have inappropriate corporate governance procedures
- Employ harmful or cruel practices when dealing with animals
- Be involved in the manufacture/production of pornographic material
- Mislead the consumer through inappropriate or inaccurate advertising
- Have inappropriate work place practices.

Ethical Balanced Trust (cont.)

We actively seek investments that promote:

- The betterment of conditions for all inhabitants of the planet
- The reduction of greenhouse gas emissions
- The active development of viable renewable energy systems and sustainable land use and food production
- The efficient management of waste products
- Equity and diversity for all regardless of race, sex or religion.

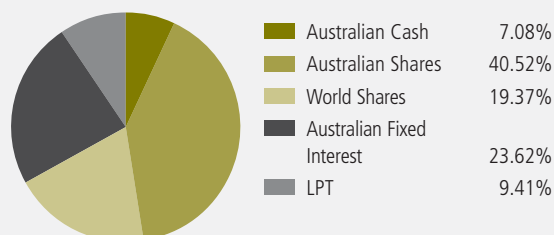
As a general rule, companies are excluded from the ethical universe if "unacceptable" activities represent more than 1% of the company's revenue stream. In some instances, an activity may represent less than 1% of revenue, but the company will still be excluded - each company is considered on a case by case basis.

Investment Guidelines

	Neutral Benchmark	Asset Range
Australian Shares	40%	30 - 50%
World Shares	20%	10 - 30%
Property Securities	10%	0 - 15%
Australian Fixed Interest	25%	10 - 40%
Australian Index Bonds	0%	0 - 10%
Overseas Fixed Interest	0%	0 - 10%
Australian Cash	5%	0 - 30%
	100%	

The guidelines shown are the neutral benchmark and the range around the neutral benchmark which are subject to periodic review. These guidelines may therefore be amended from time to time.

Asset Allocation as at 30 June 2005



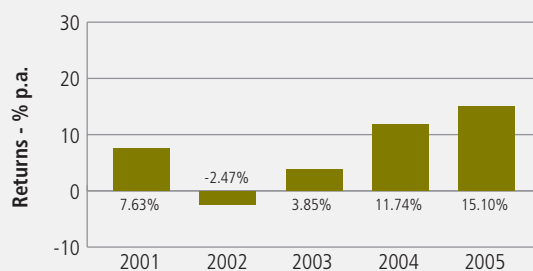
The asset allocation is as at 30 June 2005 and may be different at subsequent dates.

Performance[#] - Annual Investment Returns

The Ethical Balanced Trust commenced on 1 November 2004. Prior to that, the Ethical Balanced Trust was managed as a separate mandate for a superannuation plan.

The returns in the table below relate to returns achieved for that separate mandate and post 1 November 2004.

Please note the returns shown in the graph below are the annual investment returns (gross of fees and tax) to 30 June for each year stated.



Please refer to section "Measuring performance" on page 6.