

SuperNews

**CSR Super is a not for profit fund run by members for the benefit of members.
CSR Super does not charge any entry fees, exit fees, switching fees or contribution fees.
CSR Super's Trustee pays no commission to any agents.**

Good news! – Reduction in basic insurance premiums (*Division Three*)

The *Division Three* average cost per \$1,000 of basic insured cover has been reduced from \$0.90 per quarter to \$0.84 per quarter. The lower cost was implemented when the basic insurance deduction from account balances was made in March 2009.

Investments

The unprecedented volatility in international and domestic share markets witnessed in 2008 continued into 2009 with many major markets hitting decade or multi-decade lows (e.g. in US, Japan & Europe). Concerns of a global recession increased as global growth dropped sharply particularly in the US, Japan, UK and Germany while global trade slowed significantly and unemployment began to rise around the world. This led to many commentators categorising the current crisis as the worst economic conditions experienced since the Great Depression of the 1930's.

Australian equities returned -1.9% for the March quarter. Australian banks were sold off heavily earlier in the quarter on rising bad debt charges and companies cutting dividends to conserve capital. However, during March the Federal Government's AAA guarantee of bank lending and diminishing concerns over a collapse of the global financial system caused financial stocks around the world to rally with Australian banks rebounding strongly from early March.

The March quarter continued to witness capital raisings by some Australian institutions looking to bolster balance sheets, improve capital ratios and provide a buffer to weather the uncertain economic conditions. Recognising the severity of the unfolding financial crisis the Rudd government instituted a \$42 billion economic stimulus package with about \$12 billion in one-off cash bonuses to low and middle-income families and more than \$28 billion worth of public spending including school repairs.

Australian bonds returned 0.3% for the March quarter. Expectations of future rate cuts diminished towards the end of the quarter as the Reserve Bank took no action at their March meeting and cut rates by only 0.25% at their meeting in early April. Global credit spreads reduced in investment grade and non-investment grade bonds as default expectations eased and central banks initiated a number of programs in the credit markets to boost market liquidity, foster price stability and allow for a normalising of markets.

CSR Super has historically delivered strong returns, driven mainly by the capital growth from equity markets. The market volatility and market declines witnessed during 2008 and 2009 have surpassed those expected by market participants in both their severity and duration. Nonetheless, although continued risks to economic growth remain, many strategists and analysts feel that equity market valuations are attractive and that 2009/10 should hopefully see the beginning of an improvement in global stock market returns over the medium and longer term.

Harwood Nominees Pty Limited
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As Trustee for Harwood Superannuation Fund
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Market Review*

- The Australian share market (S&P/ASX 300 Index) returned -1.9% for the March 2009 quarter and -29.8% for the 12 months to 31 March 2009.
- International shares, as measured by the MSCI World Net Accumulation Index, returned for the March 2009 quarter -11.6% unhedged and -10.1% on a hedged basis and -24.6% and -38.4% respectively for the 12 months ending 31 March 2009.
- The Australian bond market (UBS Australian Composite Bond (LBD) Index) returned 0.3% for the quarter and 12.8% for the year ending 31 March 2009.

* All performance returns are before tax and investment management costs

Net earning rates – Division Two and Division Three

Option	Division Two*		Division Three*	
	Quarter ended 31/03/09	Financial Year to Date 1/7/08 – 31/03/09	Quarter ended 31/03/09	Financial Year to Date 1/7/08 – 31/03/09
High Growth	-6.10%	-26.09%	-6.12%	-26.29%
Moderate Growth	-4.76%	-18.88%	-5.18%	-19.45%
Lower Growth	-2.48%	-9.33%	-2.57%	-9.41%
Protected	0.88%	3.87%	0.86%	3.92%
Capital Secure	0.62%	3.28%	N/A	N/A

*Net earning rates are after tax and indirect management costs

CSR Super's investment options

The latest information on the four investment options offered by CSR Super can be found in the CSR Super Product Disclosure Statement (PDS) and relevant website update.

If you would like a copy of the CSR Super PDS and relevant website update, please visit the CSR Super website, www.csrsuper.com.au or call the inquiry line on (02) 9235 8533 and ask for a copy to be sent to you.

Net earning rates – Allocated pension/Transition to Retirement

Option	Quarter ended 31/03/09*	Financial Year to Date 1/7/08 – 31/03/09*
High Growth Pension	-6.54%	-24.46%
Moderate Growth Pension	-4.68%	-19.86%
Lower Growth Pension	-2.98%	-13.87%
Protected Pension	0.92%	4.54%

*Net earning rates are after indirect management costs

Note: the pension options have different asset allocations than the Division Two/Three options and will therefore have different investment performance results

Changing your investment options

CSR Super offers four different investment options where you can choose to invest your super. Your regular member and employer contributions must go into one option only. Lump sum contributions, amounts rolled in from other funds and your account balance can be spread across the four options.

You may wish to periodically review your investment options to ensure they suit your current circumstances.

Your future contributions

You can change where your payroll contributions are invested **at any time**. This will enable your ongoing contributions to be invested differently from your account balance. No fee applies.

Your account balance

You can change where your account balance is invested once each calendar quarter with the change being effective from the first day of the next calendar quarter. No fee applies. **For a change to the investment of your account balance to be effective at the beginning of any calendar quarter, your request must reach CSR Super by the 21st day of the last month of the previous calendar quarter.**

For example: for a change to be effective from 1 July your form needs to reach us by 21 June.

To change where your future payroll contributions and/or your account balance is invested, you can either:

- Complete the *Investment Choice form* which can be obtained by calling the Inquiry Line or by downloading it from the CSR Super website, or
- Log on to "Your account" on the website and change electronically, or
- Advise the Trustee in writing.

Don't forget the contributions caps

The amount of contributions paid into the fund each pay day can be changed at any time during the year by visiting the CSR intranet site or by contacting your payroll office for the appropriate forms. When reviewing your contributions please be aware of the following contribution caps which apply:

- **Concessional contributions** (employer, salary sacrifice, basic insurance premiums met by your employer for Division Two members and for SCG and defined benefit members the "notional" taxable contribution):
 - Aged less than 50** - \$50,000 p.a. (2008/2009)
\$55,000 p.a. (2009/2010)
 - Aged 50 to 74** - \$100,000 p.a. (up to 30/6/2012)
- **Non-concessional contributions** (after-tax contributions) - \$150,000 p.a. for 2008/2009 financial year (\$165,000 for 2009/2010 financial year). However if you are *under age 65* you will be allowed to bring forward 2 years worth of contributions e.g. \$450,000 in one year (2008/2009) or \$495,000 (2009/2010).

* Please note that the effective rate of tax for concessional and non-concessional contributions over the contributions cap will be 46.5%, which is imposed on the individual.

If you would like further information on your contributions please contact the Inquiry line.

Change to default investment options

Default options will apply in the following circumstances:

- If you do not choose an investment option when you join CSR Super; or
- You do not provide a separate investment instruction when additional money (other than your payroll contributions) is paid into your account.
 - **New members who have not provided the Trustee with an investment choice instruction:** Monies will be invested in the Moderate Growth Option.
 - **Payroll contributions are currently being made in accordance with your investment instructions:** Additional money will be invested in accordance with your current investment choice for your payroll contributions.
 - **No payroll contributions are currently being made:** Additional money will be invested in the same options and in the same proportions as your account balance was invested at the close of the previous calendar quarter.
 - **Monies received from the insurer in respect of disablement claims:** Monies will be invested in the Protected Option.

Authorised Representatives update

Authorised Representatives of the Trustee are authorised to provide general financial product advice in relation to superannuation. We are pleased to advise that the Trustee has appointed two new authorised representatives. Therefore, the current authorised representatives are:

Roslyn Ramwell
Sandra Olsen

Greg Diamond
Kristen Broder

Danielle Reay
Maria Reissis

Melissa Gomes
Tim Williams

CSR SUPER CONTACT DETAILS

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Disclaimer:

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