

SuperNews

CSR Super:

- **A not-for-profit fund run by members for the benefit of members**
- **No entry fees, no exit fees, no switching fees and no commissions to agents**

CSR Super has moved.

Our new address details follow:

CSR SUPER CONTACT DETAILS	
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Net earning rates – Division Two and Division Three.

The following are the net earning rates for the quarter ending 31 December 2009 and financial year to date:

Investment Option	Division Two*		Division Three*	
	Quarter ended 31/12/09	Financial year to date 1/7/09 – 31/12/09	Quarter ended 31/12/09	Financial year to date 1/7/09 – 31/12/09
High Growth	3.88%	20.65%	3.91%	20.68%
Moderate Growth	3.25%	16.52%	3.28%	16.76%
Lower Growth	2.46%	11.58%	2.45%	11.23%
Protected	0.68%	1.42%	0.75%	1.50%
Capital Secure	0.68%	1.25%		

*Net earning rates are after tax and indirect management costs.

Net earning rates – Allocated Pension/transition to retirement.

The following are the net earning rates for the quarter ending 31 December 2009 and financial year to date:

Investment Option	Quarter ended 31/12/09*	Financial year to date 1/7/09 – 31/12/09*
High Growth Pension	3.73%	20.80%
Moderate Growth Pension	3.26%	17.57%
Lower Growth Pension	2.81%	14.22%
Protected Pension	0.93%	1.73%

* Net earning rates are after indirect management costs (no tax applies to earnings of the allocated pension)

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

Investments.

The 12 months ended 31 December 2009 were extraordinary for their volatility, sharp rebound in equity markets and fixed income markets and the general improvement of global economic conditions. In January of 2009, investors were faced with significant uncertainty as the global financial crisis was in full swing. Australian and international shares had fallen by 39% over the preceding year, international property was down 45%, commodity prices had tumbled and credit markets were forecasting record defaults.

Twelve months on and the situation is significantly different. While January and February of 2009 were bleak months, early March proved a definitive turning point and the start of a strong rally. Listed markets recovered significantly over the whole of 2009.

This strong rebound in equity markets is evidenced by the Australian sharemarket which recorded its best calendar year performance since 1993 while rising by 60% from its lowest point in early March 2009. The fund's High Growth Option, Moderate Growth Option and Lower Growth Option all have varying allocations to the Australian and global share markets and are, therefore, impacted accordingly.

Emerging markets and commodities provided the sharpest rebounds during 2009. As investor confidence returned and emerging market growth continued to outpace their developed market counterparts, stock markets in China, Brazil and India rose by 80%, 83% and 81% respectively over the course of the year. Commodities that had been sold off aggressively in 2008 and early 2009 also staged remarkable recoveries; copper rose 153% for the year while oil rallied 103%. Gold also continued to move higher reaching a record high of over \$1,200 an ounce in December before finishing the year 24.6% higher.

As we move into 2010, many financial market commentators and economists are optimistic about future prospects for the global economy and markets. Nonetheless, the shock of the financial crisis has meant that both investors and economies will take some time to emerge from the initial recovery phase of 2009 and transition to a longer-term, sustainable trend. Current indicators show stabilisation of unemployment levels, strong improvement in purchasing and manufacturing indices and most developed countries emerging from recession. However, governments and central banks will have to carefully navigate the next year as they look to withdraw their stimulus programs and other supportive measures while ensuring that market stability and global economic growth are maintained.

It is important to remember that a disciplined approach to investing and the adoption of a long-term perspective that suits your individual financial circumstances will continue to be important throughout 2010 and beyond.

Market Review*

- The Australian sharemarket (as measured by the S&P/ASX 300 Index) returned 3.37% for the December 2009 quarter and 37.6% for the 12 months to 31 December 2009.
- International shares (as measured by the MSCI World Net Accumulation Index), returned 2.13% unhedged and 5.28% hedged for the December 2009 quarter and 0.77% unhedged and 27.00% hedged for the 12 months ending 31 December 2009.
- The Australian bond market (as measured by the UBS Australian Composite Bond (LBD) Index) returned 1.04% for the December 2009 quarter and 1.73% for the year ending 31 December 2009.

* All performance returns are before tax and investment management costs.

Employer contributions can be accepted for Retained Members and Spouse Members.

As advised in the October 2009 SuperNews, we can now accept superannuation contributions from non CSR associated employers. We can accept these for all of the following fund members:

- Retained Members
- Spouse Members (existing and new)
- Current Members who have a second job with a non CSR associated employer

There has already been a great response to this new facility. So far we have over 50 new employers set up to send contributions on behalf of members.

Retained and Spouse Members can choose to have their employer's superannuation contributions paid into their CSR Super account as well as salary sacrifice superannuation contributions and personal after-tax contributions.

The process is very simple, if you want to know more please call Mike Turner, Communications & Membership Manager, on (02) 9235 8572 between 8.30am and 5.30pm, Monday to Friday (Sydney time).

Harwood's Authorised Representatives.

Roslyn Ramwell

Greg Diamond

Melissa Gomes

Kristen Broder

Tim Williams

Mark Kelly

Mike Turner

Latest Life Tables: we're living longer ie more years in retirement.

In its Budget Papers of 2009, the Federal Government stated that: "when the age pension was introduced in 1909, around half the male population reached retirement age. Today, over 85 per cent of the male population reach retirement age and can expect to spend more than 7 years longer in retirement."

Some recent figures released by the Australian Bureau of Statistics (ABS) add further to this statement. The table below shows average life expectancies based on ages for males and females. It is interesting to note that "on average" a male retiring at age 65 can expect to live another 18.6 years while a female can expect to live another 21.6 years.

LIFE EXPECTANCY					
AGE	MALE	FEMALE	AGE	MALE	FEMALE
20	59.9	64.3	60	22.7	26.0
25	55.1	59.4	65	18.6	21.6
30	50.3	54.5	70	14.8	17.4
35	45.5	49.6	75	11.3	13.5
40	40.8	44.7	80	8.3	10.0
45	36.1	39.9	85	5.9	7.0
50	31.5	35.2	90	4.2	4.8
55	27.0	30.6	95	3.0	3.4

Source: Australian Bureau of Statistics, Life Tables 2006-2008 (released 11 December, 2009)

Additionally, the ABS tables indicate that about 58.5% of males will live to age 80, with the figure for females at 72.6%. So, looking at the ABS life expectancy tables, there's a good chance many of us will live quite a few years in retirement. Consequently, we need to be aware of what is called "longevity risk" – the danger that we'll outlive our personal retirement savings, although there is a safety net in the form of the Government's age pension.

If you want more information about adding to your super through salary sacrifice, accessing the Government's co-contribution, making after-tax contributions or consolidating multiple super accounts, please contact CSR Super.

Disclaimer:

Any advice provided by Harwood Nominees Pty Limited or its authorised representatives has been prepared without taking into account your objectives, financial situation or needs. You should, before acting on any advice, consider the appropriateness of the advice, having regard to your objectives, financial situation or needs. If the advice relates to acquiring or continuing to hold a financial product, including an interest in CSR Super you should obtain the Product Disclosure Statement for the product before deciding to acquire or continue to hold the product. Harwood Nominees Pty Limited is the issuer of interests in CSR Super.