

# SuperNews

Good news - see the net earning rates  
for the year ended 30 June 2006 below

The net earning rates for the financial year ended 30 June 2006 were –

Option	Division Two	Division Three	Allocated Pension (Division Four) *
	Year ended 30/06/06	Year ended 30/06/06	Year ended 30/06/06
High Growth	20.14%	20.00%	22.46%
Moderate Growth	16.07%	16.15%	18.36%
Lower Growth	9.96%	9.86%	10.93%
Protected	5.11%	5.13%	5.57%
Capital Secure	5.89%	n/a	n/a

Net earning rates are after tax and indirect management costs have been deducted.

\* *Division 4* is not subject to tax (negative or positive) but does receive the benefit of imputation credits on its investments in Australian shares.

Please see page 3 for the net earning rates for the quarter ended 30 June 2006.

## Significant event notice - Trust Deed and Rules amendment

The Trustee, with the approval of CSR Limited and Rinker Group Limited, amended the Trust Deed and Rules of the Harwood Superannuation Fund with effect from 21 July 2006. The following is a summary of the main changes to the Trust Deed -

- To allow for splitting contributions with an eligible spouse;
- To allow Division One members (DBD) to transfer money from their Division Two account to pay their Division One surcharge offset account; and
- To allow for an adjustment when calculating a special consideration group supplement to take account of any transfers out of the Special Consideration Group member's accumulation member account balance.

### Contribution splitting applications

As advised earlier this year contributions paid into the fund from 1 January 2006 to 30 June 2006 can be split with your spouse subject to certain requirements.

These forms are available on the website, [www.csrsuper.com.au](http://www.csrsuper.com.au), or by telephoning the Fund on (02) 9235 8533 and asking for a *Superannuation contributions splitting application* instructions and form.

#### 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 investing in a superannuation product, including CSR Super, you should obtain and consider the Product Disclosure Statement for the product before deciding to invest.

## Product Disclosure Statements (PDS) – website updates

Website updates for CSR Super PDS, CSR Super Division One PDS and the Allocated Pension PDS are now available on the CSR Super website – [www.csrsuper.com.au](http://www.csrsuper.com.au).

If you do not have access to the internet and would like a copy of the latest website update please contact the CSR Super Inquiry Line on (02) 9235 8533.

## Investments

### Investment Commentary

Investment markets retracted over the June quarter, reversing the positive trend which investors have become familiar with over the past few years. Strong momentum in resources companies drove share markets to new highs in the first half of the quarter, though risk aversion set in during the second half of the quarter, leading to a broad based sell down in equity markets around the world. High energy and commodity prices fuelled inflationary and slowing global growth concerns together with increased speculation that interest rates may rise which dampened investor confidence. Most of the countries around the world reported negative quarterly returns. Asia-Pacific was the largest contributor to the negative performance. In particular, Japan underperformed due largely to concerns of rising costs, decelerating growth and cautious company profit forecasts.

The Australian share market held up well compared to its global peers, falling only 0.3% for the quarter. Property was the best performer as investors sought the high-yielding qualities of this sector. Bond returns were flat over the quarter as an increase in the official cash rate by the Reserve Bank of Australia and continued inflationary concerns placed downward pressure on returns. As expected, cash performed well during this volatile period. The quarterly distribution rates for the various investment options reflected these market dynamics - the options with higher allocations to equities delivered lower returns as compared to those options with higher allocations to bonds and cash.

Despite the recent poor performance of investment markets, superannuation funds delivered strong returns for the 12 months to June 2006, driven mainly by the robust performance of Australian and international equity markets. However, market participants continue to expect share markets to remain volatile and deliver modest returns over the upcoming 12 months.

### Market Review\*

The Australian share market (S&P/ASX 300 Accumulation Index) returned -0.3% for the June 2006 quarter, though posted its third consecutive financial year of double-digit growth, returning 24.0% for the 12 months to June 2006.

The Fund's benchmark index for international shares, which includes an allocation to emerging markets and 50% currency hedge, returned -4.0% for the quarter and 20.6% for the 12 months to 30 June 2006.

The Fund's benchmark index for Australian property, which includes exposure to both listed and unlisted property, returned 4.3% for the quarter and 17.5% for the 12 months to 30 June 2006.

The Australian bond market (UBS Warburg Australian Composite Index) returned 0.0% for the quarter and 3.4% for the year ending 30 June 2006. Cash returned 1.4% for the quarter and 5.8% for the 12 months to 30 June 2006.

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

## Member statements

Annual periodic statements for the year ended 30 June 2006 will be issued in October. However, if you wish to review your member account balance at 30 June 2006 please visit the website, [www.csrsuper.com.au](http://www.csrsuper.com.au) and look under the menu item "Your Account". You will need a current password. If you do not have this please telephone or email the Fund.

Alternatively, please ring the fund and ask for details of your 30 June 2006 member account balance.

## Net earning rates for the quarter and FYD ended 30 June 2006

Option	Division Two		Division Three		Allocated Pension (Division Four)*	
	Qtr ended 30 June 06	FYD 1/7/05 to 30/06/06	Qtr ended 30 June 06	FYD 1/7/05 to 30/06/06	Qtr ended 30 June 06	FYD 1/7/05 to 30/06/06
High Growth	-1.26%	20.14%	-1.27%	20.00%	-1.90%	22.46%
Moderate Growth	-0.89%	16.07%	-0.84%	16.15%	-1.42%	18.36%
Lower Growth	-0.14%	9.96%	-0.17%	9.86%	-0.36%	10.93%
Protected	1.12%	5.11%	1.18%	5.13%	1.27%	5.57%
Capital Secure	1.58%	5.89%	n/a	n/a	n/a	n/a

Net earning rates are after tax and indirect management costs have been deducted.

\* *Division 4* is not subject to tax (negative or positive) but does receive the benefit of imputation credits on its investments in Australian shares.

### Correction to the allocated Pension (Division Four) net earnings published in the May 2006 Supernews.

The correct net earning rates for the quarter ended 31 March 2006 and the financial year to date (1/7/05 to 31/3/06) for the **Allocated Pension (Division Four)** were –

Option	Qtr ended 31 March 06	FYD 1/7/05 to 31/03/06
High Growth	8.42%	24.84%
Moderate Growth	6.73%	20.06%
Lower Growth	3.76%	11.33%
Protected	1.35%	4.24%

### Who are the Fund's authorised representatives?

The following persons have been authorised by the trustee of the Harwood Superannuation Fund (Harwood Nominees Pty Limited) to provide general financial product advice. The trustee is not licensed to provide personal financial product advice, which is advice relating to your own particular circumstances which may influence decisions you make.

Harwood Nominees Pty Limited's authorised representative are –

Carita Abbott    Judy Bramble    Jean Elborn    Ross Jones    Sandra Olsen  
Megan Payne    Roslyn Ramwell    Danielle Reay    Melissa Gomes (currently on leave)

#### Contact Details

CSR Super inquiry line: (02) 9235 8533  
CSR Super fax: (02) 9235 8577  
CSR Super website: [www.csrsuper.com.au](http://www.csrsuper.com.au)  
Internal email:  
"1733 Superannuation Inquiries"  
External email: [info@csrsuper.com.au](mailto:info@csrsuper.com.au)