

SuperNews

Net earning rates

The fund's net earning rates for the quarter ended 31 December 2006 and for the financial year to date (FYD - 1 July 2006 to 31 December 2006) were –

Option	Division Two		Division Three		Allocated Pension (Division Four) *	
	Qtr ended 31 Dec 06	FYD 1/7/06 to 31/12/06	Qtr ended 31 Dec 06	FYD 1/7/06 to 31/12/06	Qtr ended 31 Dec 06	FYD 1/7/06 to 31/12/06
High Growth	7.46%	11.24%	7.44%	11.17%	8.34%	12.01%
Moderate Growth	5.86%	9.23%	5.92%	9.27%	6.62%	10.02%
Lower Growth	3.43%	6.18%	3.55%	6.26%	3.83%	6.78%
Protected	1.39%	2.68%	1.36%	2.68%	1.52%	2.99%
Capital Secure	1.75%	3.49%	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 investment in Australian shares.

How does your fund compare?

The table below compares the Fund's performance against similar options offered by peers. It is important to note that returns reflect asset allocation which differs even between similar funds. The Fund's performance figure is the average return for Division Two and Three.

Investment earnings for 12 months ended 31 December 2006 (net of fees and taxes)

High Growth (95% Growth assets)	17.8%	Peer median (100% Growth Universe)	17.1%	Peer median (81%-99% Growth Universe)	15.8%
Moderate Growth (75% growth assets)	14.6%	Peer median (61%-80% Growth Universe)	13.8%	Not available	
Lower Growth (40% Growth assets)	9.5%	Peer median (21%-40% Growth Universe)	8.2%	Peer median (41%-60% Growth Universe)	11.1%

The peer performance figures are based on the ChantWest Multi-Manager Survey (interim) – December 2006.

Australians anxious about life in retirement

A study by Axa found that Australians are feeling anxious about their life in retirement. However, the study also showed that Australians are becoming more informed about saving for life after work and realise it will be up to individuals to look after themselves in retirement. Working Australians are currently saving an average of \$652 per month towards their retirement, ranking them second to workers in the United States.

It also showed that the offspring of baby boomers should not hold their breath waiting for an inheritance as the Axa study found that 66% of retired Australians will use their savings to maintain their lifestyle with just 21% planning to pass on an inheritance to their children with another 13% undecided.

For more information on financial matters you can obtain a copy of the booklet "Understanding Money How to make it work for you" by phoning 1800 236 235 or visit www.australia.gov.au/understandingmoney.

Investments

Investment Commentary

Investment markets continued to deliver strong performance over the December quarter. The Australian share market finished the calendar year with a robust quarterly gain of 11.1%. The market powered ahead despite a 0.25% interest rate hike in November. Merger and acquisition activity got into full swing as the quarter progressed. High profile transactions included PBL's recapitalisation of its media interests (including Nine Network) and Seven's joint venture with KKR in Seven Media Group. Investors enthusiastically scooped up \$15.5bn in the third tranche of Telstra.

Material companies lagged other sectors, although still performed well despite slowing demand for housing and construction. Key contributing factors to this were Rinker, being targeted for acquisition by Mexican firm Cemex, and James Hardie. Corporate earnings, booming merger activity and strong trends in corporate restructuring provided support to international share markets, despite repeated concerns about an imminent global economic slowdown. The Australian listed property sector continued its strength in the December quarter, driven up by strong capital flows from offshore investors. The Australian bond market's performance was subdued for the December quarter.

The quarterly distribution rates for the various investment options reflected these market dynamics - the options with higher allocations to equities delivered higher returns compared to those options with higher allocations to bonds and cash.

Superannuation funds continue to deliver strong returns over the longer term, driven mainly by the robust performance of property and share markets. 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 11.1% for the December 2006 quarter and 24.5% for the 12 months to December 2006. The Fund's benchmark index for international shares, which includes an allocation to emerging markets and 50% currency hedge, returned 5.8% for the quarter and 15.8% for the 12 months to 31 December 2006.

The Fund's benchmark index for Australian listed property returned 14.0% for the quarter and 34.1% for the 12 months to 31 December 2006.

The Australian bond market (UBS Warburg Australian Composite Index) returned 0.3% for the quarter and 3.1% for the one year ending 31 December 2006. Cash returned 1.6% for the quarter and 6.0% for the 12 months to 31 December 2006.

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

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