

Issue date 1 July 2009

This Supplementary Product Disclosure Statement (SPDS) has been issued to update you on important information, including the changes to superannuation from 1 July 2009.

This SPDS must be read in conjunction with the Member Product Disclosure Statement issued on 1 October 2008.

This SPDS has replacement or additional information on:

- Superannuation
- Concessional contribution limits and the maximum amount of the Government co-contribution
- CONNECT's investments – investment strategy, investment objectives and definitions of risk levels
- Insurance – the eligibility definition for insurance cover
- Fees and other costs
- Taxation – Retirement benefit and Withdrawal benefit
- Benefit payouts – Temporary residents
- Terms used about super – Superannuation Salary



Your Industry – Your Super

Superannuation for the electrical contracting and communications industries

About superannuation

This information replaces information on page 7 of the October 2008 PDS.

Will you be eating steak or baked beans after you retire?

The difference might depend on your super.

The Westpac ASFA Retirement Standard puts the cost of living comfortably in retirement at \$50,414 p.a.* for a couple who own their own home. The age pension for a couple is \$24,746 p.a.**

* Source: Westpac ASFA Retirement Standard Research Report (Summary), based on figures for the December 2008 quarter, and published in April 2009. The Summary Report can be downloaded from the ASFA website at www.superannuation.asn.au.

** This payment includes a pension supplement of \$16.30 each for couples. Figure current as at 20 March 2009

Changes to superannuation

In the May 2009 Budget, the Federal Government announced changes reducing the amount paid for the co-contribution scheme and lowering the concessional contribution limit relating to additional contributions, commencing 1 July 2009.

This information replaces information on page 9 of the October 2008 PDS.

Government co-contributions if you're eligible

The Federal Government matches each \$1 of personal contributions an eligible person makes to their superannuation with a co-contribution of up to \$1, up to a maximum amount of \$1,000 p.a. The co-contribution is a great way for low or middle income earners to boost their super with money for free from the Government. The amount of co-contribution reduces according to a sliding scale, based on your income. Currently to qualify for the full \$1,000 you need to earn \$31,920 p.a.* or less. But you can still get some money from the Government if you earn up to \$61,920 p.a., including reportable fringe benefits. See page 35 for details.

If you meet the Government's eligibility requirements, the co-contribution will normally be automatically added to your account by the ATO after processing your tax return and will appear on your next annual benefit statement. For full details of the current eligibility conditions call the ATO on 13 10 20 or visit the ATO website www.ato.gov.au/super

* These amounts apply for the 2009/10 tax year and are adjusted in line with annual movements in Average Weekly Ordinary Time Earnings

This information replaces information on page 28 of the October 2008 PDS.

Contribution limits

The Government has set annual superannuation contribution limits. These limits apply to your total superannuation contributions, not just contributions to CONNECT.

Limits on employer contributions

Employer contributions to superannuation, together with any salary sacrifice contributions, are subject to an annual limit of \$25,000* (indexed). Until 30 June 2012, a higher limit of \$50,000 (not indexed) will apply if you are aged 50 or over. This limit is called the 'concessional contributions cap' and applies to all your superannuation funds combined.

If you exceed the cap, you will personally have to pay an extra 31.5% tax on top of the 15% tax paid by your employer. If this happens, you will be able to ask CONNECT to release enough money from your super account to pay the excess contributions tax.

Note that the concessional contributions caps also include deductible personal contributions made by self-employed people.

* This limit is applicable for the 2009/10 tax year and is adjusted from time to time in line with increases in average weekly earnings.

This information replaces information on page 35 of the October 2008 PDS.

Government co-contributions

In 2009/10 the Government matches each \$1 of personal, non-concessional contributions an eligible person makes to their superannuation with a co-contribution of up to \$1, up to a maximum amount of \$1,000 p.a. The co-contribution reduces on a sliding scale if earnings are between \$31,920 p.a.* and \$61,920 p.a.* including reportable fringe benefits.

Previously the maximum co-contribution was \$1.50 for every \$1 up to \$1,500 p.a. It will return to this level in 2014/15.

Assuming you contribute \$1,000 as an after-tax personal contribution:

If your annual income is:	The government co-contribution is:
\$31,920 or less	\$1,000.00
\$35,000	\$897.33
\$40,000	\$730.67
\$45,000	\$564.00
\$50,000	\$397.33
\$55,000	\$230.67
\$60,000	\$64.00
\$61,920 or more	\$0.00

You can check the current eligibility conditions at the ATO website on the Superannuation > Co-contributions page. You will also find details of the co-contribution at www.connectsuper.com.au

This information replaces information on page 9 of the October 2008 PDS.

Key facts about contributing

This table outlines key information about making additional contributions to your super.

	Employer contributions	Salary sacrifice	Voluntary personal contributions	Spouse	Rollovers
Age restrictions	Up to age 70, your employer can make mandated employer contributions (including SG and award contributions) and additional employer contributions. If you are between the ages of 65 and 69, your employer can make additional contributions only if you meet the work test requirement for the financial year to which the contribution relates.* SG contributions are not payable for those aged 70 and over, and only mandated contributions required under an industrial award or certified agreement are payable for those aged 75 and over.	Until age 65, you can make personal contributions irrespective of your work status. If you are over age 65 and under age 75, you can only make additional personal contributions provided you meet the work test requirement for the financial year to which the contribution relates.* After your 75th birthday, CONNECT is not permitted to accept any contributions from you.		Your spouse can make contributions to CONNECT for you as long as you are under 70 years of age. If you are between 65 and 70 years of age, you must meet the work test requirement for the financial year to which the contribution relates.*	None
Limits	The total limit on concessional contributions (including SG super + salary sacrifice) is \$25,000 p.a. If you go over the limit, you pay penalty tax. If you are aged 50 or older in the year you make the contribution, you may contribute up to \$50,000 a year up to and including the 2011/12 financial year.		There is a general limit of \$150,000 p.a. on non-concessional contributions (including personal and spouse contributions). If you are under age 65 in the financial year contributions are made, the \$150,000 limit can be averaged over three years to make a larger one-off payment of up to \$450,000. If you go over the limit you pay penalty tax.		No limit
Government co-contribution	Not applicable		You must meet eligibility criteria.	Not applicable	Not applicable
Tax	15% contributions tax is payable when the money goes into the Fund.		No contribution tax is payable.	No contribution tax is payable.	Rollovers from most super funds are not taxed.**

* Individuals aged 65 to 74 are treated as gainfully employed on a part-time basis, and thus allowed to make personal contributions, where they work at least 40 hours in a continuous 30 day period in that same financial year.

** Tax may apply for rollovers from some public sector funds – contact CONNECT for more details.

CONNECT's investments

This information replaces information on page 11 of the October 2008 PDS.

Investment basics (important facts you should know)

The investment strategy adopted by the Trustee does not permit more than 10% of the Fund's assets to be invested in a single investment. In addition, this strategy does not permit the proportion of the Fund's assets invested with any one Investment Manager to exceed 50%. The proportion of any one Investment Option invested with one Investment Manager may exceed 50% in circumstances where the manager involved provides a high level of underlying diversification or where there is little need for manager diversification.

This information replaces information on page 11 of the October 2008 PDS in the paragraph that begins "CONNECT's strategy permits the Fund to invest in derivatives ...".

The Trustee may invest in managed-pooled funds which either use derivatives or assume short positions in individual assets or asset classes for the purpose of achieving their stated investment objectives, so long as the use of derivatives is consistent with the objectives of the Fund and the implementation of the investment strategy.

This information replaces information on page 13 of the October 2008 PDS.

Summary: investment objectives and level of risk

The following table summarises the investment objectives, target asset allocation and level of risk (based on the investment timeframe and percentage of growth investments) for each of CONNECT's three investment options.

Option	Objective	Target asset allocation	Level of risk
High Growth	To achieve an annual return after tax and fees of at least CPI plus 4% p.a. over rolling seven year periods. Variability in annual returns is expected to be high.	100% growth	High
Balanced	To achieve an annual return after tax and fees of at least CPI plus 3% p.a. over rolling seven year periods. Variability in annual returns is expected to be moderate to high.	75% growth 25% defensive	Moderate to high
Capital Stable	To achieve an annual return after tax and fees of at least CPI plus 1.5% p.a. over rolling three year periods. The broad objective will be to limit variability in annual returns.	30% growth 70% defensive	Low

The Trustee is required by law to set an investment objective and strategy for the Fund and for each investment option that it offers. Whilst the Trustee has sought professional advice in setting these objectives and believes that they are reasonable, they do not constitute a forecast or guarantee of future returns.

For current asset allocations, please visit the CONNECT website at www.connectsuper.com.au

This information replaces information on page 13 of the October 2008 PDS.

What we mean by level of risk

High level of risk means that a negative return is expected, on average, approximately one year in every four.

Moderate to high level of risk means that a negative return is expected, on average, approximately one year in every five.

Low level of risk means that a negative return is expected, on average, approximately one year in every seven.

The Trustee has adopted these definitions of 'level of risk' in accordance with the risk profiles of the three investments and in accordance with its understanding of general industry practice.

This information replaces information on page 14 of the October 2008 PDS.

The Trustee has decided to rename the Growth option the High Growth option to reflect more appropriately the expected return and expected risk characteristics of that option. The asset allocation remains unchanged.

High Growth option

An investment for the long term, the High Growth option will generally see higher returns, but it also has the greatest risk of returning a negative rate.

Objective:

The High Growth option will seek to achieve an annual return after tax and fees of at least CPI plus 4% p.a. over rolling seven year periods. To achieve a negative return in no more than one in four years.

Strategy:

The strategy focuses on Australian and global shares, because these asset classes historically produce the highest returns over the long term. Note: Past performance is not an indication of future performance.

Level of risk:

High. Estimate the likelihood of a negative return in no more than one in four years.

Asset allocation:

Asset Class	Strategic Asset Allocation	Range
Growth Assets	100%	100%
Australian Equities	50%	35–55%
International Equities	45%	30–50%
Growth Alternatives (includes Private Equity, Infrastructure)	5%	0–25%
Defensive Assets	0%	0%
Cash	0%	0%*

*A minimal allocation to cash will be made/held for liquidity purposes.

Balanced option

Best for medium to long-term investments, the Balanced option reflects its name – treading the middle ground of risk and return.

Objective:

The Balanced option will seek to achieve an annual return after tax and fees of at least CPI plus 3% p.a. over rolling seven year periods. To achieve a negative return in no more than one in five years.

Strategy:

This strategy seeks to moderate the variability of returns from shares by investing in a balance of Australian and overseas shares (i.e. growth assets) with other lower risk investments.

Level of risk:

Moderate to high. Estimate the likelihood of a negative return in no more than one in five years.

Asset allocation:

Asset Class	Strategic Asset Allocation	Range
Growth Assets	75%	60–80%
Australian Equities	35%	25–45%
International Equities	25%	15–35%
Property	10%	5–15%
Growth Alternatives (includes Private Equity, Infrastructure)	5%	0–10%
Defensive Assets	25%	20–40%
Defensive Alternatives	10%	5–15%
Fixed Income/Cash	15%	10–20%

Capital Stable option

Best for ensuring security of capital, particularly in the short to medium term. This option will generally see lower returns, with little fluctuation from year to year and very low risk of returning a negative rate.

Objective:

The Capital Stable option will seek to achieve an annual return after tax and fees of at least CPI plus 1.5% p.a. over rolling three year periods. To achieve a negative return in no more than one in seven years.

Strategy:

The strategy is to invest mostly in short duration (cash) and fixed income assets, while maintaining some exposure to Australian and global shares.

Level of risk:

Low. Estimate the likelihood of a negative return in no more than one in seven years.

Asset allocation:

Note: The Capital Stable Option is invested through a managed pooled fund: Vanguard Life Strategy Index PST – Conservative. The strategy and benchmarks of this Option are dynamic, meaning that Vanguard reserves the right to change the asset allocations to reflect market valuation risks and opportunities. The information contained in the tables below is current as at the date of this SPDS. For more up-to-date information, go to the Vanguard website at www.vanguard.com.au and follow the links: institutional investors > investment solutions > PSTs > Conservative Life Strategy PST.

Asset Class	Strategic Asset Allocation	Range
Growth Assets	30%	28–32%
Australian Equities	15%	13–17%
International Equities	10%	9–11%
Australian Property Securities	2%	
International Property Securities (Hedged)	2%	3–5%
International Small Companies (Hedged)	1%	0–2%
Income Assets	70%	68–72%
Australian Fixed Interest	11%	9–13%
International Fixed Income (Hedged)	17%	15–19%
Australian Cash	42%	40–44%

Balanced option is the 'default' option. If you don't make a choice the money in your account will be invested automatically in the Balanced option.

This information replaces information on page 15 of the October 2008 PDS.

CONNECT's declared crediting rates for the previous five years have been:

Date	High Growth	Balanced	Capital Stable
2008/2009**	-20.09%	-13.87%	-1.00%
2007/2008	-10.96%	-5.79%	-0.26%
2006/2007	18.78%	14.66%	9.26%
2005/2006	19.27%	16.17%	9.20%
2004/2005	11.91%	10.86%	7.84%
5 Year Compound Average	2.44%	3.68%	4.90%

The five-year rates shown are net compound rates.

Past performance is not a reliable indication of future performance. The figures shown are for comparative purposes only.

** Five Year Average includes interim only rates for year ending 30 June 2009 at time of going to print. Final determination of five year average will be made after year end, and included in 2009 Annual Report.

Insurance

This information replaces information on page 16 of the October 2008 PDS.

Who is eligible?

You are eligible for insurance cover if you are a member of CONNECT who:

- (a) resides in Australia and who is
 - (i) an Australian citizen, or
 - (ii) a person who is, within the meaning of the Migration Act 1958 (Commonwealth), an Australian permanent resident;
- (b) with respect to total and permanent disablement cover (if it applies), works at least 15 hours per week on a regular basis;*
- (c) is aged between 16 and 69 years of age; and
- (d) is not:
 - an excluded member**, or
 - a member who advises us, in writing, that he/she elects not be covered for insured benefits***.

- * CONNECT does not receive working hours information from employers. If you work less than 15 hours per week on a regular basis you must advise CONNECT so that cover and premium changes are made accordingly.
- ** An excluded member means a member who satisfies one or more of the following:
 - a member who our records show (as at the policy start date) has declined, or elected to discontinue, insurance cover under any CONNECT group policy in force before the start of this policy,
 - a member who has received a lump sum disability benefit under any CONNECT group policy, or
 - a member who has attained the benefit expiry age at the policy start date.
- *** Note that if you do elect not to be covered for insured benefits, you will not be permitted to have cover at a later date unless you are under age 70, still an employee of a participating employer and provide evidence of health which is acceptable to us.

Fees and other costs

This information replaces information on page 23 of the October 2008 PDS.

Fees summary

Management costs		
The fees and costs for managing your investment	<p>Administration fee of \$1.35 per week.</p> <p>PLUS</p> <p>MER (Management Expense Ratio)</p> <ul style="list-style-type: none"> • High Growth option – 0.76% • Balanced option – 0.72% • Capital Stable option – 0.33% of your balance <p>PLUS</p> <p>Trustee expense recovery fee, which for the 2009/10 financial year is estimated to be 0.15%.</p>	<p>The fixed administration fee is deducted from your account balance on a monthly basis having regard to the number of Fridays in the month.</p> <p>The MER is based on the cost of investing the Fund's assets. The percentage MER fees shown are deducted as part of the calculation of the crediting rate for each of the investment options. The crediting rate applied is 'net' of these fees. The MER amounts shown include an allowance for performance-based fees, whereby investment managers earn a higher fee based on achieving a higher investment return than the benchmark. The MER amounts shown are estimates and will vary from year to year, reflecting actual expenses incurred.</p> <p>The Trustee expense recovery fee covers any remaining costs of running the Fund, after allowing for administration fees and MER. For the 2009/10 financial year the Trustee expense recovery fee is estimated to be 0.15%. This fee is expected to vary from year to year, reflecting actual expenses incurred.</p>

This information replaces information on page 24 of the October 2008 PDS.

Example of annual fees and costs for a balanced investment option

This table gives an example of how the fees and costs in the **Balanced** investment for this product can affect your superannuation investment over a one-year period. You should use this table to compare the cost of this product with other superannuation products.

Balanced Investment Option		BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING YEAR
Contribution fees	Nil	For every \$5,000 you put in, you will be charged nil
PLUS Management costs	\$70.20 (\$1.35 per week) PLUS 0.72% MER PLUS Up to 0.15% (estimated Trustee expense recovery fee)	You will be charged \$70.20 in administration fees regardless of your balance. And for every \$50,000 you have in the Fund you will be charged \$360 MER And a \$75 Trustee expense recovery fee (based on the 2009/10 fee estimates).
EQUALS Cost of fund	\$505.20	If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged fees of: \$505.20. What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser*.
If you leave the Fund or make a withdrawal (including partial withdrawals), a withdrawal fee of \$37.50 will be deducted from your account at the time payment is made.		
You may also incur a switching fee of \$25 if you make more than two investment choice switches in any 12 month period. The first two switches are free.		
Insurance premiums may also be deducted from your account at the end of each month. For details, see pages 16 and 17.		
*Note: this is a standard format example. CONNECT does not pay commissions to advisers. We charge the same low fees for all members.		

This information replaces information on page 25 of the October 2008 PDS.

Costs deducted when calculating the crediting rate

MER (which includes an allowance for performance-based fees)

The MER is the cost associated with investing the Fund's assets, and includes direct investment expenses, custodian fees and investment advisory fees. Prior to determining crediting rates for the Fund, MER costs are deducted as part of the calculation of the crediting rate for each of the investment options.

MER includes an allowance for the performance-based fees which apply to some of the Fund's investment managers who advise on the strategic allocations for the High Growth option and Balanced option. No performance-based fees are payable for the Capital Stable option.

Performance-based fees are only paid if returns are greater than benchmark. The MER of 0.76% for the High Growth option and 0.72% for the Balanced option includes an allowance for outperformance that is 1% higher than benchmark. If outperformance is significantly greater than this it will result in an increase in MER, however this increase in MER would be more than offset by the resulting increase in the investment return and crediting rate.

Transactional and operational costs

Transaction and operation costs are **not** management costs and therefore are incurred in addition to management costs (see the Fees and costs summary table on page 23).

For the 2009/10 financial year these costs are estimated to be:

- High Growth option – 0.08% of your balance
- Balanced option – 0.13% of your balance
- Capital Stable option – 0.03% of your balance

Transactional and operational costs include brokerage fees, buy-sell spreads and other costs incurred when assets are purchased and sold. These costs are taken into account when calculating the crediting rate. These costs are estimates and are expected to vary from year to year.

Taxation

This information replaces information on page 27 of the October 2008 PDS.

Tax on benefits – a general guide

Retirement benefit and Withdrawal benefit

- If you are between age 55 and 59, your benefit will be made up of a tax-free and a taxable component. The tax-free component includes, for example, your personal after-tax contributions and an allowance for any superannuation benefits arising from employment under the old tax rules prior to July 1983. The taxable component will be paid tax-free up to a lifetime limit of \$150,000*, with any amount above that limit taxed at 16.5% including the Medicare levy.

* This limit is applicable for the 2009/10 tax year and is indexed from time to time in line with annual movements in Average Weekly Ordinary Time Earnings.

Benefit payouts – when you can claim a benefit

This information is in addition to the information on page 28 of the October 2008 PDS.

Temporary residents

On a half-yearly basis, CONNECT is required to transfer to the ATO the benefits of any members who are not Australian or New Zealand citizens and who have left Australia after holding a temporary resident visa. After departing Australia, a former temporary resident can claim their benefit from CONNECT (if we have not already transferred it to the ATO) or from the ATO. The taxable component of a former temporary resident's benefit will be taxed at 35%.

Terms used about super and what they mean

This information replaces information on page 36 of the October 2008 PDS.

Superannuation Salary

For superannuation purposes, your salary is defined by Superannuation Guarantee legislation as 'ordinary time earnings'. Ordinary time earnings are simply the salary or wages you are paid for ordinary hours of work, not including overtime. Ordinary time earnings include over-award payments, shift allowances, commissions and some forms of paid leave. For full details of what is counted as salary or 'ordinary time earnings' for superannuation purposes, go to www.ato.gov.au/super. Since 1 July 2008, all employers have been required to use 'ordinary time earnings' as the basis for calculating Superannuation Guarantee contributions.

© 2009. This Member Supplementary Product Disclosure Statement (SPDS), dated 1 July 2009, has been prepared and issued by SPEC Pty Limited (ABN 49 006 476 740; AFSL 266591), the trustee of the CONNECT Superannuation Plan (ABN 93 419 175 950) (CONNECT). It must be read in conjunction with the combined Member Product Disclosure Statement and Financial Services Guide issued on 1 October 2008. The information contained in this SPDS is about CONNECT and is of a general nature only and does not take into account your personal financial objectives, situation or needs. If you require advice that is based on your own personal situation we recommend that you contact an authorised financial adviser before making any decisions about your investments. For more information about CONNECT, call **1800 025 464** (freecall) or go to www.connectsuper.com.au.