

BOARD MEETING OUTCOMES

10 and 11 August 2009

The Board and four Committees of the Board:

■ INVESTMENTS ■ CLAIMS REVIEW AND INSURANCE ■ MARKETING ■ RISK, AUDIT, FINANCE AND COMPLIANCE

met on Monday 10 and Tuesday 11 August, to review and progress a number of issues. Major topics discussed at these meetings included:

1. Investment Committee: Investment environment and results

The Investment Committee and Board comprehensively reviewed investment returns by investment option, asset sector and investment manager for the period to 30 June. The Board noted that markets had largely recovered in the final quarter of the financial year, with strongly positive returns for both April and May and mixed results in June, while returns had been strong again in July. The Board noted that the return for the month of June for the Diversified Option in the Accumulation Division was *minus* 0.55%, and the Option had recorded a full year return of *minus* 10.35%. This result placed the Diversified Option in the top quartile of results across all periods (one year to five years) in the SuperRatings June survey.*

The Committee (and Board) also discussed the following:

- The Custodian's 'Rolling Manager Returns' by Asset Class for June 2009;
- The JANA (asset consultants') Quarterly Report which provided a market overview by major asset class, an analysis of performance against benchmark and investment objective, and a Manager overview of the fund;
- A paper discussing the Fund's current Strategic Asset Allocation compared with its peers and the industry at large;
- Discussion papers on NGS's long term property strategy and asset allocation issues for pension division products;
- Updates on both the fund's Deferred Tax Asset and Liquidity positions;
- A review of outstanding commitments, sources for the additional funding of investments and current cash flow instructions to the Custodian.

2. Risk, Audit, Finance and Compliance Committee (RAFC Committee)

The RAFC Committee, and subsequently the Board, reviewed and discussed:

- The financial operating results for both the Fund and the Trustee for the year ended 30 June 2009 and noted that the operation had closed the year with expenses well contained and a higher than planned surplus in the reserve;
- The draft Abridged Financial Statements for the Fund for the year, which were approved;
- An update on the progress of the FY2009 annual audit of the Fund and its subsidiaries;
- A detailed proposal from the auditors to perform a full audit of the transition process involved in moving to a new administrator, which was approved;
- A complete revision of the Key Risk Summary and Key Risk records performed by management, which was approved and adopted;
- A revision to, and update of, the Business Continuity Plan, also approved and adopted;
- A comprehensive Fraud Policy, which, after minor amendment, was approved and adopted;
- The administrator's Quarterly Compliance Report and confirmation that no compliance issues had been identified in the Custodian and Trustee Office.

3. Marketing Committee

The Marketing Committee and Board reviewed reports outlining marketing and communications activities undertaken since the last Board meeting. It was noted that significant work was being undertaken to rewrite the Product Disclosure Statements, and simplify them according to division and product stream.

The Committee and Board endorsed the proposed enhancements to the Fund's Income Protection and Death Cover insurance offerings, and noted that these would be introduced concurrently with the transfer to the new administrator on 1 November.

The Committee and Board also reviewed and approved the FY2009 Marketing Action Plan, which details the work required to execute the previously approved Marketing Plan.

4. General matters

The Board approved the appointment of AIST (Australian Institute of Superannuation Trustees) to perform a comprehensive Board Assessment, with a view to reporting the findings of the review to the December Board meeting.

The Board noted that planning for the November transition to the new administrator was now far advanced, with detailed meetings having been held with all interested parties.

The Board also noted that two financial planners had commenced work in the NGS Financial Planning division in Adelaide and Sydney respectively, and that there was positive signs of membership uptake of this new service.

Next meeting

It was noted that the next full meeting of the Board will be held on 29 September 2009.



Anthony Rodwell-Ball
Chief Executive Officer
NGS SUPER

Anthony Rodwell-Ball

* SuperRatings survey of SR50 Balanced funds

**NEXT BOARD
MEETING DATE**

Tuesday, 29 September 2009

Employer-representative directors

Stephen Mathwin
Appointed by the AIS SA
David Buley, Ray Whitfield
Appointed by the AIS NSW
Heather Walsh
Appointed by the AIS NSW representing ACT
Peter Fogarty (Chair)
Appointed by the Catholic Hierarchy NSW
Daniel Watson
Appointed by the SA Commission for
Catholic Schools

Member-representative directors

Kevin Phillips, John Quessy, Gloria Taylor
Appointed by the IEU NSW
Margaret Sansom, Glen Seidel (Deputy Chair)
Appointed by the IEU SA
Cathryn Hickey
Appointed by the VIEU

REMAINING 2009 BOARD MEETING DATES

- Tuesday, 29 September
- Tuesday, 1 December