

# BOARD MEETING OUTCOMES

1 July 2009

The Board and four Committees of the Board:

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

met on Monday 29 and Tuesday 30 June, as well as Wednesday 1 July 2009, with full agendas of business. Major issues discussed at these meetings include:

## 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 31 May. The Board noted that while markets had undergone a period of recovery since 6 March, with positive returns for both April and May, the equities markets had been largely flat in June, and it was premature to conclude that markets would return to traditional trading patterns in the short term. The Board noted however that the return for May for the Diversified Option in the Accumulation Division was 2.46%, yielding a FYTD return of -9.86% for the eleven months. This result placed the Diversified Option in the top quartile of results across all periods (FYTD to 5 years) in the SuperRatings May survey.\*

The Committee (and Board) also discussed the following:

- The Custodian's 'Rolling Manager Returns' by Asset Class for May 2009, noting that significant work had been undertaken by all interested parties to ensure that numbers reported and their comparatives were being calculated on a common basis;
- A paper dealing with updates on the Strategic Asset Allocation exercise and a paper seeking to define Defensive Assets and where Property fits in a diversified portfolio;
- Drafts of the updated (consolidated) Investment Policy Statement and Statement of Fundamental Investment Beliefs as well as an updated Liquidity Policy Statement;
- JANA (asset consultant) discussion papers on Retirement Income Product options and the issue of 'Tax aware investing';
- Updates on both the fund's Deferred Tax Asset and Liquidity positions, and an update on Australian Equities Style Research;
- 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 period ended 30 April 2009 and noted that the operation was continuing to run within budget for the period in question;
- The finalised annual Audit timetable and plan for the 2009 audit;
- The FY2010 Budget and summary Business Plan, which was approved. It was noted that additional expenditure would be required over the next twelve months to ensure a successful transition to Mercer of the fund's administration platform, as well as for the launching of the embedded financial planning service;
- A report from the Auditors on the Anti-money Laundering and Counter-terrorism Financing audit findings;
- Incident and Breach Reports for the period to 31 May 2009. It was noted that there were no known incidences of non-compliance, although the Compliance Report from the administrator for the quarter ended 30 June had not yet been received.

### 3. Marketing Committee

The Marketing Committee and Board reviewed reports outlining marketing and communications activities undertaken since the last Board meeting. These activities included the 'transfer-in' campaign, media and other advertising, and ongoing refinements to the NGS website. It was noted also that an email communication campaign had been run, with emails having been sent to approximately 40% of the membership. The response to this had been encouraging, with 37% of these emails being opened, and a further 6% resulting in members following through to the website.

The Committee and Board also reviewed and approved the updated FY2009 Marketing Plan, and commended management for its comprehensive content and professional compilation, as well as its alignment with the Strategic Plan.

### 4. General matters

The Board noted that significant planning had commenced for the November transition to the new administrator, with detailed meetings having been held with all interested parties. It was also noted that templates for Industry, Pension and Corporate year end statements had been approved, and that the planned date for the commencement of statement mailing is 17 September.

The Board also noted that job offers had now been made to two financial planners, who, after induction training, would commence their roles in the NGS Financial Planning division in mid August, in Adelaide and Sydney respectively.

The Board also noted that there had been a number formal employer and member briefing sessions held in Adelaide and Melbourne, where presentations had been given on the economic climate and the Fund's response to it, and sessions were planned for Sydney in July.

### Next meeting

It was noted that the next full meeting of the Board will be held on 11 August 2009.



Anthony Rodwell-Ball  
Chief Executive Officer  
NGS SUPER

*Anthony Rodwell-Ball*

\* SuperRatings survey of SR50 Balanced funds

**NEXT BOARD  
MEETING DATE**

Tuesday, 11 August 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

#### 2009 BOARD MEETING DATES

- Tuesday, 11 August
- Tuesday, 29 September
- Tuesday, 1 December