

BOARD MEETING OUTCOMES

11 and 12 May 2009

The Board and four Committees of the Board:

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

met on Monday 11 and Tuesday 12 May 2009, with a very full agenda of business. Major issues discussed at these meetings include:

1. Investment Committee: Investment environment and Strategy review

The Investment Committee and Board comprehensively reviewed investment returns by investment option, asset sector and investment manager for the period to 31 March. The Board noted that markets had undergone a period of recovery since 6 March, but that it was premature to call an end to the global financial crisis (and market volatility) at this early stage. The Board noted that the return for March for the Diversified Option in the Accumulation Division was 1.5%, and estimated to be 3.68% for April, resulting in a FYTD return of -12.03% for the ten months.

The Committee (and Board) also discussed the following:

- A March quarterly report from the Asset Consultants (JANA Investment Advisers) providing a comprehensive commentary on all aspects of the Fund's investment performance for the period;
- Papers dealing with a comprehensive review of the current investment strategy, the portfolio of assets and Strategic and Medium Term Asset Allocation settings;
- A paper considering the merits of moving the Australian Equities portfolio to a tax effective basis incorporating Environmental, Social and Governance ('ESG') principles
- Updates on both the fund's Deferred Tax Asset and Liquidity positions.

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 31 March 2009 and noted that the operation was continuing to run within budget for the period in question;
- The proposed annual Audit timetable and plan for the 2009 audit;
- The Trustee Compliance checklist and Incident and Breach Reports for the period to 31 March 2009.

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, targeted advertising in the media, and events arranged to brief employers and members on the current economic climate, and NGS Super's strategies to manage through difficult times.

4. General matters

The Board reviewed and approved the final draft of the thirty six word Strategy statement that had been developed internally, as well as the Strategy Map and Action Plan for 2009/2010.

The Board noted that the 31 December Statement mailout had been completed in late February, and that calls made by members to the Contact Centre were running at lower levels than in the comparable period in 2008.

The Board noted and ratified the circular resolution distributed in late April regarding the appointment of Mercer for the following integrated services:

- Embedded financial planning. It was noted that a model would be developed whereby planners operating under the Mercer licence would be located in NGS Super's offices and provide a full range of not-for-profit financial planning, training and education services for NGS members only. The appointees would be subject to Mercer's strict governance and compliance regime, but operate as NGS staff with full alignment with NGS Super's values and strategic direction.
- Telephone advice: members seeking simple, single issue advice over the phone would be channelled to appropriately qualified call centre staff who would assess their needs and answer their questions, and, only if necessary, refer them to a financial planner for a face to face consultation;
- Member and Employer Administration: a range of services including engagement via the call centre, contributions and benefits payments processing, insurance services, and some communications and marketing support.

It was noted that the full integration of administration with telephone and face to face advice should result in an improved member and employer experience.

Next meeting

It was noted that the next full meeting of the Board will be held at the end of June, at which meeting the progress on the review of the Strategic Asset Allocation and the refresh of the Investment Policy statement, as well as consideration of the 2009/2010 Business Plan and budget would form significant parts of the agenda.



Anthony Rodwell-Ball
Chief Executive Officer
NGS SUPER

Anthony Rodwell-Ball

* SuperRatings survey of SR50 Balanced funds

NEXT BOARD MEETING DATE

Tuesday, 30 June 2009

Employer-representative directors

Stephen Mathwin
Appointed by the AIS SA
David Buley, Ray Whitford
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, 30 June
- Tuesday, 11 August
- Tuesday, 29 September
- Tuesday, 1 December