

BOARD MEETING OUTCOMES

25 November 2008

The Board and four Committees of the Board:

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

met on Monday 24 and Tuesday 25 November and noted that since the date of the last Board meeting in September, an additional meeting of the Investment Committee had been held on 24 October to review market performance, asset allocations and the fund's liquidity position. Major issues discussed at these meetings include:

1. Investment Committee: Investment Returns and Market volatility

The Investment Committee and Board comprehensively reviewed investment returns by investment option, asset sector and investment manager for the period to 31 October. The Board noted that increased market volatility in September and October had had a negative impact on returns, but that the *SuperRatings* Indices* as at 31 October indicated that the NGS Diversified Option (the default) was in the top quartile of results for the month, and in the second quartile for the quarter.

The Board also noted the following:

- The decision made by the Investment Committee to conduct a full and comprehensive review of its investment strategy, portfolio of assets and Strategic and Medium Term Asset Allocation settings in the first quarter of the New Year;
- The progress being made in the International Equities sector manager transition process,
- Papers from the Investment Counsel on the subjects of investing in Absolute Return funds and on Currency Hedging;
- A 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.

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

The RAFC Committee, and subsequently the Board, received an update from the Board Chair about the outcomes from the recently completed APRA Prudential Review. It was noted that a full review had been performed by the regulator, involving an extensive desk top analysis of internal controls, investment and governance processes and reporting frameworks, two days of discussions and follow up questions with management and an afternoon session with a representative cross section of Board members. The Chair expressed his appreciation both to management and participating Board members for their involvement during the process and noted that a letter was to be sent from APRA summarising their reporting on the process.

The RAFC Committee, and subsequently the Board, reviewed and adopted the financial operating results for both the Fund and the Trustee for the period ended 31 October 2008 and noted that the operation was continuing to run within budget for the period in question.

The Committee also reviewed the Trustee Compliance checklist and Incident and Breach Reports for the period to 30 September 2008.

3. Marketing Committee

The Marketing Committee, and subsequently the Board, reviewed the progress of the project to redevelop the website to make it more member and employer focussed and interactive. It was noted that the project was still on target to meet a January completion date.

The Board also received a presentation from *BrandManagement* reporting the results of the recent member survey. It was noted that there had been a very high level of responses, and while member satisfaction overall had remained constant since the last survey, there were a number of value-adding initiatives that the Fund could undertake to enhance service and improve engagement and member education.

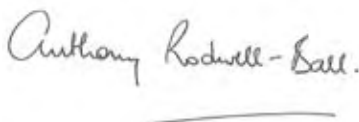
These initiatives have been incorporated into the 2009 marketing plan, and seek to further enhance the member experience of the Fund, to underscore the Board's ongoing commitment to value its membership by providing best quality outcomes at lowest possible cost.

4. Administration matters

The Board noted that the 30 June 2008 Annual Statements had all been mailed according to plan, and that the Contact Centre was now handling the additional volume of calls that arise at this time of year. Regular analysis of the type and nature of calls made is provided to management. The Board noted that the Fund had agreed to participate in an ongoing independent survey of 60 member calls per quarter. This was being undertaken in order to continue to improve the quality of service in the call centre, and results from these surveys will be used to provide feedback to staff, identify training needs and iron out any procedural problems.



Anthony Rodwell-Ball
Chief Executive Officer
NGS SUPER



* SuperRatings survey of SR50 Balanced funds

NEXT BOARD MEETING DATE

Tuesday, 10 February 2008

While it was noted that the next full meeting of the Board will be held in early February, an additional **Investment Committee meeting** has been scheduled for **8 January** in order to review December results and monitor and if necessary respond to developments in investment markets.

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, 10 February
- Tuesday, 12 May
- Tuesday, 30 June
- Tuesday, 11 August
- Tuesday, 29 September
- Tuesday, 1 December